TIPS ON FINANCE

By Herbert N. Casson

I. HOW TO KEEP YOUR MONEY AND MAKE IT EARN MORE

II. MAKING MONEY HAPPILY

How to Keep Your Money
and
Make It Earn More

BY
HERBERT N. CASSON

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To

MY AMERICAN FRIENDS

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WHO HERBERT N. CASSON IS

By B. C. Forbes

HERBERT N. CASSON is the most forceful business writer in Britain. He is more than a business writer: he is the foremost teacher and applier of business efficiency in Europe. His magazine, "The Efficiency Magazine," commands the attentive notice of the most progressive business and financial leaders in the United Kingdom, and even farther afield.

He is no airy theorist.

He doesn't merely write things. He does things.

When a young man he migrated from Canada to the United States, and here are a few of the jobs he capably filled and the things he achieved:

Was business editor of the New York World for four years.

Was right-hand man to Frank A. Munsey for three years.

Made report on thirteen factories of the International Harvester Company.

Wrote the "Romance of the Reaper," and "The Life of Cyrus Hall McCormick."

Investigated the steel plants of England, Germany and America and wrote the "Romance of Steel: The Story of a Thousand Millionaires" — one of the most fascinating books ever written.

Was efficiency expert for the Bell Telephone System and wrote the "History of the Telephone."

Partner of Harrington Emerson — the famous efficiency expert.

Was joint founder of the H. K. McCann Advertising Company, which had a turnover of $1,000,000 in its second year. Sold out to H. K. McCann.

Was sales and advertising manager of the Standard Oil Company for three years.

Reorganized Merchants' Association of New York.

Wrote " Ads & Sales " — the first advertising book that was used in universities.

On editorial staff of the " Wall Street Journal." Then he moved to England, and is now, among other things, the sender, from London, of the " Wall Street Journal's " best and highest-priced foreign correspondence.

A prominent London Journal said of him: " Mr. Casson is one of the world's greatest business experts. He is also the most extraordinary speaker in London today. He electrifies his listeners. He has a voice like a clarion that simply stabs the air with its pungency; and what he says is sharp and decisive. He talks in a sort of verbal shorthand, and cuts all superfluities out of his sentences. He comes straight to the point, and his gospel is ' Get busy; do things.' "

Much of his time he devotes to training the staffs of British business concerns to function more efficiently and profitably.

It may interest readers of this book to know that it is not with Mr. Casson a case of " Don't do as I do, but do as I tell you to do."

He has succeeded in accumulating a very comfortable fortune by the exercise of just such principles and practices as he here outlines.

Go thou and do likewise.

BUY ONLY WHAT YOU KNOW

Chapter I

BUY ONLY WHAT YOU KNOW

WORD-TWISTING PROSPECTUS CAN MAKE A WHEELBARROW LOOK LIKE A ROLLS-ROYCE

BUY only what you know. This simple little pointer of five words would prevent about one-quarter of all losses in the world of FINANCE.

Very likely, every business man who reads these lines has had a heavy loss, at some time in the past, because he did not obey this First Commandment of Investors — BUY ONLY WHAT YOU KNOW.

It is a curious fact that almost every business man buys rubbish, when he begins to invest his money. Invariably, he buys shares in a business that he knows nothing about. That accounts for the immense sales of mining stock and South American securities.

A beginner, in the world of FINANCE wants big profits. He scorns 6 or 7 per cent. He

wants 15 per cent. He has heard of 20 per cent. He wants perfection. Therefore, as perfection is never to be had at home, he invests his money in properties that are 10,000 miles away.

In a word, every amateur investor is more or less of a rainbow chaser. Even the most practical grocer or factory manager will invest his first $500 in worthless securities, printed by either dreamers, or rascals, and based on some forlorn jungle in Africa, or some dishonest community in South America or the Balkans.

Almost every business man of 50 years of age has a little bundle of so-called "securities" in his safe. They are tied with a scrap of string; and the only valuable thing in the bundle is the string.

He bought what he did not know. He bought with his Ignorance, not with his Knowledge. And he paid the full price for his folly.

As I propose to tell the blunt truth in this series of TWELVE POINTERS, I am obliged to say that the world of FINANCE is not as honest as the world of Trade and Commerce.

At the top, the world of FINANCE contains the ablest and most trustworthy men in the nation. This is true in all countries.

But at the bottom, the world of FINANCE contains a horde of the most unprincipled swindlers. Most of them act within the law. Many of them are church members and all that. But they are more dangerous to the public than all the burglars and pickpockets combined.

If a merchant sells a cotton collar as linen, he can be dragged before a judge and fined. But a financier can sell liabilities as assets all year long, and the law takes off its hat to him.

In FINANCE, you can never believe what you hear. You must have the philosophy of Descartes. You must DOUBT EVERYTHING.

A tip is merely an opinion. Often, it is a lie with a purpose. In nine cases out of ten, THE TIPS TO BUY COME FROM THE SELLERS, AND THE TIPS TO SELL COME FROM THE BUYERS. No stock-broker would deny that.

In FINANCE, ten lies are born every minute. Most of them are not wicked lies — merely what we might call financial inexactitudes, but they serve the purpose of making people lose

their money just as much as though they were perjuries.

In FINANCE, there are no disinterested people. Everybody has an axe to grind. Everyone is trying to push prices either up or down. Not even the Recording Angel could expect truth from people under such conditions.

As to Prospectuses, they are not much better than tips. There are clever word-twisters in the City who can write a Prospectus on a wheelbarrow and make it look like a Rolls-Royce.

As to leaflets and circulars, they are almost always just about as true as the tale of Robinson Crusoe. There is generally a basis of fact and a wonderful super-structure of imagination.

As to advertisements, they are usually more reliable than leaflets and prospectuses, but it is better to notice what the Financial Editor says, than to believe the advertisements.

As to balance sheets, they are still more reliable, but it is a fact that losses are worked up into gains, and *vice versa,* in thousands of balance sheets every year.

Bear in mind that a printer will print anything and ask no questions. So will many newspapers and magazines. The main difference between the spoken lie and the printed lie is that the latter is more CLEVER.

BUY ONLY WHAT YOU KNOW. If you are a grocer, put your money into the shares of the best company that sells you goods. If you are a railroad man, put your money into the stocks and debentures of the railroad that is managed most wisely. If you are a builder, buy land. If you are a traveler, buy shipping shares. If you are a professional man, and know nothing of trade and commerce, buy Government securities.

In all cases, whenever you can, buy an interest in a business that is near by. Invest in your own town. Buy what you can see.

Far-off fields look green, but they are not half so green as you are, if you invest your good money in them.

First buy the house you live in. Then buy the house next door. The experience that you will get as a landlord will soon cure you of rainbow-chasing.

If there is no property near by that you can

put your money in, then buy the securities of those well-known firms that have been carrying on for thirty years or longer.

Any railroad or firm that has paid dividends for thirty years is as good as anything can be, in this world of risks.

But always invest in a business that you know all about, if possible. The trade that you know is the one that you are least likely to get fooled in.

The point is that you mustn't be a greenhorn when you invest. You must not be credulous.

All ignorance is dangerous, but most of all in FINANCE. If you stick to what you know, you are likely to stick to your money. It pays in the end.

Of all gambles, the most risky is betting on the races. In racing nobody ever knows, except when the race is a predetermined fraud. There are so many variables, in both horses and jockeys, that no one can ever be sure, in a fair race.

And there are many gambles in FINANCE that are almost as uncertain as racing. Most gold mines and many copper mines are very

few degrees better than the Derby, as a means of doubling your money.

There is more money invested in gold mines than is taken out of them. Every $20 in gold has cost $23. This proves that there are more losers than winners.

So in FINANCE, which I would define as THE ART OF KEEPING YOUR MONEY AND MAKING IT EARN MORE, the first rule is to follow what you know yourself, not what anybody tells you.

Once a man has money, very few people ever tell him the truth — isn't that a common fact? Once he is known to have money, all manner of people, respectable and disreputable both, set out to do their best to take it away from him.

Every man's money is in danger, and, as a rule, it is harder to KEEP money than to MAKE it. Consequently, the first POINTER is —

BE CAREFUL. BUY ONLY WHAT YOU KNOW.

Since the tower of Babel, the measure of civilization has been found in building. Con-

struction activities in the United States, halted by the war, are once more in full swing. To understand our own time we must take the measure of its builders and get the full meaning of the structures which embody the thought and purpose of the new age. — Paul W. Brown, Editor, " America at Work."

* * *

Tired, worn, discouraged, I leaned against the great Door of Opportunity — and, to my surprise, it opened wide. It was neither locked nor latched. — The Silent Partner.

NEVER BUY, GIVE, LEND NOR INVEST UNDER PRESSURE

Chapter II

NEVER BUY, GIVE, LEND NOR INVEST UNDER PRESSURE

BEWARE OF PERSUASIVE PEOPLE WHO URGE SPEED

THIS Tip holds good in both Business and Finance. In fact, every man who has any money should make an unalterable rule never to spend, lend nor invest under pressure.

There are so many rogues, relatives and beggars in the world, that a man with money must consider himself a FORT.

He must not allow himself to be taken by assault.

He must always be on guard. He must protect himself from the money-wanters — the parasites who live by persuading other people out of their money.

ALWAYS, WHEN YOU ARE ASKED FOR MONEY, POSTPONE YOUR ANSWER UNTIL THE NEXT DAY — there is a rule that would have saved you many a loss.

There are so many persuasive people in the world, that it is hard for a man to keep what he has.

The art of getting other people's money has been developed to a very high point, by parasites and governments as well as by rogues.

The art of ATTACK has been much more developed than the art of defence. That is why I am writing these articles — to build up, for the first time, an art of DEFENCE.

In the world of Finance, there are always clever rascals who can separate you from your money without using force.

There is no doubt that Bottomley, for instance, has taken more money from the public than any ten burglars. He floated forty-five " companies " in the last twenty-one years.

These " companies " had a paper capital of about $50,000,000. Most of them collapsed like balloons. They were not " companies " at all. They were swindles; and it is a very unpleasant fact that a man can swindle us for twenty-one years without being caught.

Bottomley is now locked up, but when he entered jail, he was fully twenty-one years overdue.

There are still plenty of small Bottomleys. They are in every town. They are not in jail and not likely to be. They don't EARN money. They TRANSFER it.

They concoct wonderful schemes. They rush about with great excitement and shout "Wonderful scheme! Millions and millions! Who wants plenty of money? Quick! Quick! Come and get the money!"

Always this sort of thing gathers a crowd. It always will.

People who are quite sensible in other matters come up and give these men their money.

After a few months, the swindlers have the money and the people have the schemes.

No law, so it seems, can prevent a man from being fooled.

It is quite possible, as we have seen in the Bottomley case, for a man who is known to be a rogue to be showered with $3,000,000 of poor people's money.

There is no limit to either credulity or audacity in the world of Finance.

Your own friends — your own flesh and blood, even, will apply themselves most dili-

gently to the task of transferring your money from your pockets to theirs.

Just as the trees in the jungle are weakened and pulled down by the poison ivy, so every strong business man is weakened by the HUMAN IVY that clings to him and pulls him down.

Even here in honest old England there are thousands of men, and still more thousands of women, whose whole occupation is depriving other people of their money.

Consequently, there must be an art of SELF-DEFENCE in the matter of Finance. Every man who wants to keep or spend his own money must learn to protect himself.

He must never surrender while being attacked. He must think coolly and quietly to himself — " What will I get? How do I know I will get it? "

Self-interest is not an ignoble thing. It has only been called ignoble by predatory, self-seeking parasites who live on other people's generosity.

Self-interest is a structural virtue. It is one of the pillars that holds up the whole edifice of civilization.

The philosophy of credulity and selflessness

was invented by beggars, and it has been constantly used by thieves.

First earn your own money — then protect it and use it for your own purposes — that is the rule of common sense and honesty and the highest morality.

The more dupes — the more thieves. "Thou shalt not steal," said Moses, but he only laid down half the law. He should have completed his Commandment by saying, "thou shalt not be stolen from."

Once a man is an owner, he must beware of excitements. He must keep a level head. He must go home and talk the matter over with his wife.

A woman is less credulous than a man in matters of money. She is more suspicious. She would sooner have a bird in the hand than two in the bush.

Usually, a woman is keener to get money and surer to keep it than a man is.

A man enjoys the game of life, but a woman thinks most of the prizes. Therefore every man should avail himself of the advice of his wife or his mother, upon all matters of investment.

There is no good reason why you should give a man your money just because you cannot answer his arguments.

Neither should you give it to him just because you are over-powered by the force of his personality.

The only reason why you should ever sign a check is that you have received full value for your money.

No use buying risks, unless you are a member of Lloyds. The Lloyds brokers know the fair market price of risks and you don't.

When a man dashes into your office and says — "Quick! Sign a check for $2,500 and give it to me. We can buy Kingsway if we act at once!"

When such a man with such a tale dashes into your office, tell him quietly but firmly that he may have it all to himself, as he saw it first.

When a man comes into your office with a promise, an empty pocket and a "DO IT NOW" sign, restrain your wrath and call his attention to another sign above your desk — "WHAT I HAVE, I HOLD."

Always, in the investment of your money,

when a man says — "NOW OR NEVER," tell him "NEVER."

In Finance, always be suspicious of speed and urgency, unless you yourself have discovered good reasons for acting quickly.

Always, when any man says — "Quick! Give me your money," give him nothing.

Once in a while, you may lose a golden opportunity by waiting till tomorrow, but in the long run you will have more money and fewer regrets.

When you are minding your own affairs and playing your own game, be as quick as you can; but when you are parting with money or property, GO SLOW.

YOU MAY EASILY LOSE IN A MINUTE THE SAVINGS OF A WHOLE YEAR. NEVER BUY, GIVE, LEND NOR INVEST UNDER PRESSURE.

Business throughout the United States is to-day transacted on a higher plane than ever before. The large majority of business men now conduct their affairs in accordance with the avowed belief that right is superior to might; that morality is on a par with legality and that the observance of both is essential

to worthy achievement; that the rights of customers must always be respected; that employees are associates rather than servants and should be treated accordingly; that stockholders of corporations, as well as all partners, are entitled to any information immediately upon receipt of the same by any officer or partner, so that under no circumstances can there be preferential rights or opportunities; that destructive competition must give way to humane competition, and that full and prompt publicity of all facts involving the public weal is demanded. — Elbert H. Gary.

SPECULATE ON PROPERTIES, NOT SCHEMES

Chapter III

SPECULATE ON PROPERTIES, NOT SCHEMES

PROPERTY CANNOT DISAPPEAR, BUT SCHEMES MAY VANISH INTO THIN AIR

IN the world of finance, everybody speculates. Everybody takes risks. Everybody backs his judgment, to win or lose. Finance consists of investment and speculation, and *the cleverest banker in the world cannot tell you where the one ends and the other begins.*

Many an investment becomes a speculation overnight, and many a speculation ripens into an investment.

This is the reason why you can never, by any sort of law, abolish the company promoter and the Stock Exchange swindler.

It is one of the main risks of the realm of finance, that any honest and optimistic builder of businesses may in any slump suddenly find

himself on the inside of a prison, looking out and wondering how he got in.

This is a great fact that wage-workers know nothing of — that labor leaders can never realize, that every financier is a TRUSTEE and is held responsible in law for the successful handling of other people's money entrusted to his care.

Neither do they know that safety and risk are mingled and mixed in such a way that no man can at all times tell the one from the other.

All business-builders MUST take risks. They must speculate and make guesses on the future.

There is no infallible rule by which they can play safe, but there are a few guide-posts to show them the worst danger-spots; and one of these guide-posts has on it these words — SPECULATE ON PROPERTIES, NOT SCHEMES.

If you ask — "What is the difference between a property and a scheme?" then it is a sure sign that you are not a financier or banker.

A property is anything that has intrinsic value, while a scheme depends for its value

entirely upon the way in which it is carried out.

A property is tangible. You can always sell it, if you wish, in a week or two.

But a scheme is an idea. It has no existence in the material world. It is a babe unborn.

Any property, however old and dilapidated, has a money value; but the most perfect scheme may not be worth a nickel. It may only be a wide door to bankruptcy.

Now, it is a curiosity in human nature that most people prefer a scheme to a property. The reason, probably, is that a scheme is always perfect. It has no past mistakes. It is spic-and-span. It "can't fail." It is as faultless as a rainbow, and very similar.

A scheme appeals to the imagination. It takes the mind away from all details of cost and management. It deals with hope and optimism and desires; not with facts and difficulties and losses.

A scheme tells people what they WANT to believe, not what they OUGHT to believe. Consequently, schemes are eternally popular.

The same old swindles spring up again and again. Every new generation will always

throw away a certain amount of its money on gold mines and oil wells and ranches in the Tropics.

Not that I would have schemes made illegal — far from it. The Bank of England was a scheme once. So was the Hudson's Bay Company and Lloyds; and all three have lived for more than two centuries.

My point is that investing in schemes is for those who can afford it. It is not for people of small means and little experience.

The ratio of failures is too high — very likely 50 to 1. None but the rich should back a new scheme, and even they should put only a small percentage of their capital into it. Not more than 20 per cent. of any man's money should be invested in a scheme.

Schemes are of all sorts — good, bad, and indifferent. They are put forward by the best men in the community and the worst.

Many of the schemes of Hooley and Jabez Balfour and Whittaker Wright are now strong reliable companies.

Often, the schemes of honest men go wrong; and the schemes of swindlers turn out to be solid permanent businesses.

There is no sure way of telling a good scheme from a bad one, when it is first launched.

All you can do, if you don't want to lose your money, is to keep out of schemes altogether, and put your money into going properties. A property can depreciate, but it cannot disappear. It cannot vanish into thin air, as a scheme can.

By good planning and salesmanship, a property can always be turned into money. Or it can be developed into a paying business.

Usually, a new enterprise is part property and part scheme. This mixing up of the real and the unreal fools most people.

It fooled Farrow, for instance, the founder of Farrow's Bank, who is now in prison. He was not a financier. He never knew the difference between a property and a scheme.

He would buy a quarry for $100,000, for instance, put a scheme on top of it, and capitalize the two for $500,000.

Every business enterprise consists, more or less, of a property or a scheme, but the danger comes in when the scheme is too big for the property.

A sound business is like a pyramid, smaller at the top than the base, and a dangerous business is like a pyramid inverted. It is top-heavy. It has *too much scheme.*

The basic difference between a property and a scheme, is that a property retains its value, no matter who owns it; while a scheme is entirely a matter of honesty and good management.

The cleverer a man is, the more he can depend upon schemes. The duller he is, the more he should depend upon properties. This is blunt advice, but it would have saved hundreds of men from failure, during the past four years.

There is a time for caution in finance, as well as a time for courage; and the first rule is always — LEARN THE FACTS ABOUT THE SCHEME, THE PROPERTY, AND YOURSELF.

This rule does not apply to the strong, experienced, self-reliant financier, who has prospered for years in the jungle of finance. Even he gets caught at times by schemes that are all hot air; but in the main he is able to protect himself. Very often, he will beat the schemer at his own game.

This rule is meant more for the man who is not a financier — for the trader or salesman who has a little money to invest.

No one should try to run before he can walk. He should never invest in schemes until he has had at least ten years' experience with properties.

The man who has had experience with properties is not so likely to be fooled by talk and promises.

The great fact to remember is that a scheme in itself is NOTHING. It is only a quick way of spending your money, unless there is a MAN at the back of the scheme, who has enough experience and ability and honesty to build it up into a success.

Chapter IV

BUY ONLY WHAT CAN BE QUICKLY RE-SOLD WITHOUT A LOSS

FACTS TO BEAR IN MIND

DON'T get stuck with something that you can't sell.

If you want to know how important it is to avoid such a predicament, ask Leverhulme or Selfridge or Cowdray or Ellerman or any other of our greatest business men.

Every big business man has been caught, more than once, by forgetting this rule; and thousands of men have lost all their little savings in the same way.

Don't buy a thing just because it pleases you, unless you are rich enough to lose your money and not mind it.

Almost every buyer, at first, makes this mistake. He buys goods that suit his own fancy, and then he finds that they suit nobody else, and there the goods remain — a dead loss, on his shelves.

Thousands of people make this mistake in buying land or houses. They go into some out-of-the-way place and build a house. Then, five years later, when they try to sell the house, they find that nobody wants it. It has no regular market value, and they must either sell it for a song or wait for years to find a foolish buyer.

In almost every county you will find, on top of a hill, an odd and dilapidated house — "Smith's Folly." It cost $50,000 and it was sold for $4,000. Smith built a house that could not be re-sold.

One Londoner, who is more artistic than commercial, built a bungalow in a remote part of Surrey. He built it in 1918, when all costs were at the top. He built it to please himself, with a thatched roof and parquet floors and a studio and stained glass windows, and other costly improvements.

He spent all his money on it — more than $12,000. Last month I saw it advertised in a Sunday paper "For Sale — $6,000." Eventually, he will very likely accept $4,500. He will lose $7,500 because he bought something he couldn't sell.

Another Londoner, who had saved $10,000, bought the shares of a local company — a small manufacturing business. The shares are possibly worth as much as he paid for them; but at the moment he wants to sell and he cannot find a buyer. He must either take a lower price or hold on.

Another business man, in Bristol, bought the patent of a machine. If the patent is not infringed and if the machine can be made cheaply, and if the public wants it, he can make a fortune. But he forgot these three " ifs " when he bought the patent. At present he wants to sell and nobody wants to buy.

And so it goes. There are thousands of such cases. Practically every man with money makes this mistake at times — he buys what he cannot sell.

Always, in buying, there are several facts to bear in mind:

(1) You may change your mind. The house that pleases you to-day may displease you tomorrow, or displease your wife, which is still more likely and serious.

(2) Price is made by demand, not by cost or value. Price is what somebody will give

for it. Last month I saw an aerodrome sold for $1,600 and a postage stamp for $5,000.

(3) You mustn't spend money on a whim, and think it is an investment. Buy to please yourself — yes, but not unless you can afford to throw away the money.

(4) The more unique and abnormal a property is, the less likely you are to find a purchaser. The more ordinary and commonplace a thing is, the greater the crowd of buyers.

Ordinary people want ordinary things, and nine-tenths of the people in the world are ordinary — there is a great fact that too many people entirely forget.

The more peculiar and original a thing is, the more you must lose when you sell it.

This is an odd fact that artistic people can never understand, and that all people are liable to overlook when they are buying.

To put this fact in another way, we may say that goods should be as much like MONEY as possible, from the point of view of finance.

The great value of money is that EVERYBODY WANTS IT. You can always exchange money for goods.

If you buy Shell shares, for instance, you can sell them at any time. In fact, by means of the wonderful sales service of the Stock Exchange, you can sell them in ten minutes.

This proves that Shell shares are nearly as salable as money. They have the advantage of paying high dividends and the disadvantage of market fluctuations.

But if you buy shares in an unknown oil company, you may offer them for sale in vain. Nobody wants them. You're stuck.

Now, the unknown oil company's shares may be just as good VALUE as the Shell shares, but they are not known and therefore not wanted. There is no market for them and they are, therefore, not worth so much. You must buy them at a low price or not at all.

Suppose that both oil companies paid 40 per cent. dividends, free of tax. The well-known company's shares would be worth at least five times their face value, while the unknown company's shares would be worth only four times their face value.

There should be a discount of at least 20 per cent. on any shares or properties that cannot be sold quickly.

Salability is an element of value. This is a truth that will make you more money when you sell, and save you more money when you buy.

Back of this advice lies the tremendous factor of GOOD-WILL, and back of good-will lies PUBLICITY. Here we see the cost of OBLIVION — there is no market for the things that nobody knows about.

Especially at the present time, this is of the highest value to every business man, whether he is little or big.

At a time like this, you musn't lock up your money in properties that cannot be sold quickly.

You must keep your business in such a state that you can turn it into money, if necessary, in a short time and without loss.

This is the ideal that few of us can reach. But the nearer you are to it the further you are from bankruptcy.

Business, as a process, consists in changing goods into money and money into goods. Goods — Money — Goods — Money — that is business, if you make a profit on each exchange.

If you don't make a profit, then it is not business. It is failure.

Consequently, when you buy anything of value, you ask, "Is the price likely to rise and are there other people who want it?" If so, then you can buy safely.

If you want to see this illustrated in a dramatic way, go to an auction sale and notice the immense differences in the prices obtained.

A handsome table is put up. Everybody wants a table. Twelve people bid against each other. It is knocked down for $45. Its real value is $40.

Next, a large plate-glass mirror, of peculiar shape, is put up. Only two people bid. It goes for $6, although it cost $75.

Then, a large oil painting of the seller himself is put up. Nobody wants it. Everybody laughs. The auctioneer gives it away to a buyer who strenuously objects. Yet it cost $200 two years ago.

So, a part of the value of every property depends upon its salability. Unless you have money to lose, BUY ONLY WHAT CAN BE QUICKLY RE-SOLD WITHOUT A LOSS.

Chapter V

TAKE YOUR PROFITS

BE QUICK TO CASH IN — IT IS BETTER TO MAKE $500 IN A MONTH THAN TO MAKE $500 IN A YEAR

HOW often you have heard a man say, "I'm sorry I didn't sell it when I had the chance." Very likely you have said it yourself.

The few who were wise sold out in 1918 and 1919. The many who were foolish, bought all they could.

The many invariably buy when prices are dearest. They always have and always will. They buy when everybody else is buying.

But many people who could have sold their property in 1918 and 1919, held on. They refused to sell.

Had they been wise, they would have sold every scrap of property they possessed. Then, in 1922, they could have bought it all back at half what they got for it.

A man with $100,000 worth of property, for instance, could have sold out for $100,000, and to-day he could buy it back again for $50,000. He would still have all his property and $50,000 more.

Several wise old ship-owners sold their ships in 1918. No doubt they are now buying the same ships back again. During the past four years there was far more profit to be made out of selling and buying ships, than out of OPERATING ships.

And this is just the point I want to make clear — that in business the main thing is the PROFIT, not the PROCESS, whatever that may be.

That is, if a grocer can make more money by selling his shop than he can by selling his groceries, he should sell his shop.

If a shoe manufacturer can make more profit by selling his factory than he can by selling shoes, he should not hesitate to sell his factory.

We are all too apt to hold fast to our properties. We nail them down. We think of them as though they were entailed and could not be sold.

Take a specific case. A young man started a candy shop a year ago. He bought a bankrupt shop for a song. Then he invested $1,250 in stock.

He is a very able and sociable young man. Everybody likes him. He is a trained salesman.

Already he has built up a business of $175 a week. Recently, he was offered $3,000 for his shop. HE REFUSED. THAT WAS A MISTAKE. HE SHOULD HAVE TAKEN HIS PROFIT.

During the year he has made about $1,500 profit. If he sold out for $3,000, he would have $1,250 profit. Total profit for the year — $2,750.

Then, with $3,000 in hand, he could buy another bankrupt shop, a larger one, and repeat the process; build it up quickly and sell it. In ten years he could be rich.

To make $1,250 in his shop, he has to work hard for about ten months. He has to wait on more than 20,000 people.

But to make $1,250 by selling his shop, he has to do no work at all — spend two or three days in reading and signing papers and the deed is done.

"Ah, but," you say, "he will then have no shop. He must think what to do."

Of course. That is the reason why men don't sell out and take their profit. They MUST THINK.

Nine out of ten would sooner drift along and make a bare living, than THINK and get rich.

But, as this book is published for the THINKERS and not for the DRIFTERS, I am pointing out a quicker and a better way to make more money.

Money-making has a technique of its own, which I am trying to explain. And very frequently a man can make more money by doing something special, than by conducting his business in the same old way.

We could, most of us, get rich, perhaps, if we lived 1,000 years; but the financial problem is to make money more quickly. We have only twenty or thirty years for this job of fortune-making.

As a friend of mine wrote last month, "I have always been able to make money happily, but I can't make ENOUGH."

That's the point. To make enough money

quickly, you must take SHORT-CUTS. You must snatch at every honorable chance to make a profit.

Take another instance:

A merchant bought shipping shares at 18. He bought 100 shares. In six months they rose to 23. He could have sold out and made a net profit of $500.

But he refused to sell. He said "No, I'll wait until they go to 28. Then I'll make twice as much."

Presently the shares dropped again to 20; he had lost his chance. No doubt they will eventually go to 28, but he may have to wait a year or two. He would have been wiser to have taken his profit of $500.

If I bought a cow for $100, and if, while I was driving her to my meadow, a friend met me and said, "That's a fine cow; I'll give you $150 for her," I would say, "She's yours." Then I would go home well pleased with a well spent afternoon.

Too many men are suspicious when they are offered a high price. They think, "If it is worth as much as that to HIM, it is worth it to ME."

But this is the wrong attitude. The point is that you must take every wise chance to make a quick, sure profit.

You must consider the TIME element. It is better to make $500 in a month than to make $500 in a year.

Once you get this fact clearly in your mind, you are on your way to be a financier. You have learned how to make money by initiative, by thinking, by planning, by taking advantage of the swing of values.

Immature people, such as Socialists, regard this as exploitation. But it is nothing of the kind. It is creative energy. It is leadership. It is legitimate money-making, which is the most helpful and least destructive of all the activities of mankind.

To make money, a man must be quick. He must be adaptable. He must not be frozen to a certain spot or a certain routine.

He must MOVE — ACT — DECIDE — TAKE CHANCES. And whenever he sees a profit sticking up its head, he must be quick to bag it.

There is the old story of the silly fisherman who caught a fish a foot long. He put it back

in the water and said " I'll come and get you next year."

Better keep what you catch. Often, by asking too much, we lose what we have.

Isn't it true that many a man has held on to a property for thirty years, and then sold it for a price that he could have had in the beginning?

It is better to make small profits quickly than to make a big profit eventually. Eventually is a hard word for transient little creatures such as us, whose average age is not much over forty brief years.

LIFE IS SHORT. The future is uncertain; therefore, don't waste any of the opportunities of the present.

Be quicker to cash in. Every little bit, added to what you've got, makes just one little bit more. TAKE YOUR PROFIT.

Chapter VI

ASK YOUR BANKER

FOR DISINTERESTED ADVICE, GO TO YOUR BANKER — AVOID SELF-APPOINTED GUIDES IN THE JUNGLE OF FINANCE

IN the Jungle of Finance there are no maps and no paths.

Every one is more or less lost, most of the time.

But there are a few persons who have spent their lives in the Jungle and who know its signs and its dangers.

Of these persons, the most RELIABLE are the bankers. That is a pointer that may save you many a loss.

The Jungle, you see, is full of would-be guides. Plenty of promoters and common swindlers will offer you maps and guide-books.

They will offer to guide you anywhere. They will tell you anything you want to know.

In fact, as soon as you enter the Jungle with a pocketbook, you are liable to be overwhelmed with offers of help.

Hundreds of men who are themselves hopelessly lost, will offer to guide you to the Golden Mountain.

That is one of the weirdest customs of the Jungle — that sickly men offer to show you the road to Health; and ragged rascals offer to make you Rich.

There is practically no such thing as disinterested advice or service in the Jungle. You had better know this BEFORE you go into the Jungle instead of after you come out.

As soon as you lose your pocketbook, all the guides and advisers will disappear. You will find yourself on your own.

The fact is that when a man gets lost in the Jungle, he usually becomes a guide, some kind of a broker.

If he really knew the path to the Golden Mountain himself, do you think that, for a small fee, he would show any one else where it is?

It is not that a broker is dishonest; but he has a code of his own.

His First Commandment is — "Let the Client Take the Risk."

He thinks of ACTION. "Go on!" he advises.

The broker keeps everybody in the Jungle moving. This, mind you, is a very valuable service to the people in the Jungle as a whole.

But I am not talking generalities. I am trying to tell the readers of this book *how to hold on to their money and make it earn more.*

No broker lies awake nights thinking of old-time clients who are now penniless. If brokers did this, they would all die of insomnia.

Usually, too, a broker goes by rumors, not by principles. He trots up and down with the market. He seldom studies national tendencies.

He has no chart nor map nor compass. He merely follows the clients whom he is supposed to lead.

He is not really a GUIDE at all. He is a companion. Once you realize this, you can make a very good use of a broker.

He is a handy man who does what you tell

him. He runs your errands and cheers you up and tells you the news of the day and buys for you and sells for you. But a GUIDE — not for a moment.

But there is another class of people in the Jungle. They do not pretend to be guides, but they *know more than the guides*. They are the BANKERS.

The banker is a custodian. He is a man who protects money from being lost. He is all for SAFETY.

If he does not know the paths of the Jungle, at least he knows the hiding-places. He spends his life studying the signs of impending danger.

More than this, the banker can pull you out of trouble, if he wishes.

A broker's idea is to keep his clients buying and selling; while a banker's idea is to protect his clients against loss.

A broker is paid by commission, on what his client buys or sells; but a banker is paid a salary. There is one vital point, which is perhaps the explanation of all this.

If brokers were put on salary, and bankers were put on commission, the whole world of

Finance would be marvelously altered; and whether for better or worse, no one knows.

But this one clear Fact stands out and cannot be denied, that a banker is in a better position to give disinterested advice than anybody else is.

Very few depositors make a full use of their banker. In my own early days, I had a bank account for ten years before I asked for a loan; and for fourteen years before I asked my banker's advice about investments.

In those early days, I went for advice to a broker and a house agent. The former made me lose $1,250 and the latter made me lose $6,000. That is what it cost me to learn never to go for advice to any one who is paid on commission.

When you go to your banker for advice, you help yourself in two ways:

(1) You are likely to be advised wisely.

(2) You improve the banker's opinion of you and thus strengthen your credit.

A banker is a sort of onlooker in the Jungle of Finance. He has no reason to deceive either himself or his clients.

He is more of a student than a busybody, and he knows too much about the Jungle to call himself a guide.

He can't tell you how to make 12 per cent., but he can tell you how to make 6.

He can't tell you how to double your money, but he can tell you how to hold fast what you have.

He can't tell you the path to the Golden Mountain, although he knows that, every now and then, some man, by luck or by merit, finds it and becomes fabulously rich.

A banker always plays safe, and for that reason he is the best possible adviser to every investor at first.

There comes a time when a man may become strong enough to outgrow his banker's advice — but that is not often.

Especially at a time like the present, I would advise every business man to lean heavily on his banker.

The banker is to-day the central man. The world is on his shoulders. All the international money troubles that politicians are talking about, must in the end be settled by bankers, not Parliaments and Congresses.

The banker is the protector of the people's money, and he must assert himself. He must give politicians their orders.

He is not a mere bookkeeper. He is a GUARDIAN. He is a TRUSTEE. He is a LEADER, whether he wants to be or not.

So, our sixth point is — ASK YOUR BANKER.

Chapter VII

"BUY AT THE BOTTOM AND SELL AT THE TOP" OR,

IN OTHER WORDS, BUY FROM PESSIMISTS AND SELL TO OPTIMISTS

THERE are only nine words in this pointer — buy at the bottom and sell at the top — but you would pile up a fortune in nine figures if you could put it into action.

It is easy to say, but not one man in thousands has the courage and independence to do it. Almost every one buys when the crowd buys and sells when the crowd sells.

Even the Stock Exchange and the money market are run on mob lines. Even experienced speculators and bankers do not always do their own thinking.

Certain shares are popular and certain others are unpopular.

Certain industries are booming and certain other industries are going to the dogs.

Go into any broker's office and you will hear the gossip of the day; and it is just as much gossip as though the housemaid were talking to a butler, over the back-garden wall.

There are always the crowds in the investment market — the crowd of buyers and the crowd of sellers.

And when a man enters that market, he invariably joins the crowd that is the biggest. That is one of the main reasons why he loses.

We are, almost all of us, dominated by the herd instinct. We follow the crowd — the biggest crowd, just as an ox or an elephant does. We do what others do, because it is easier and pleasanter. We do not want to be thought odd or unfriendly.

In a word, we DRIFT. We do in Finance exactly what we do in politics and religion and general opinion.

We are passive. We allow ourselves to be pushed here and there by our neighbors and our fellow-citizens and the press.

It is a strange and not very creditable fact that most men go from the cradle to the grave without ever doing anything ALONE. All their lives, they follow the crowd.

They have the general idea that it is SAFER to follow the crowd. This is true in politics and social custom, but it is not true in Finance.

In Finance, THE CROWD ALWAYS LOSES. There is a fact that few people know. Those who DO know keep it to themselves.

In Finance, a few people win; and they do it by following VALUES, not by following the crowd.

Finance is the exact opposite of Politics — how few business men realize that!

Finance cares little about the vote of the majority. Values are not made by votes.

At the same time, it is quite true that public opinion puts prices up and down.

When twenty people want to sell the shares of a certain company, and only five people want to buy, the price goes down. Then, when twenty people want to buy, and only five want to sell, the price goes up.

But a wise investor does not buy when the crowd buys and sell when the crowd sells. He stands apart and takes advantage of the price movements.

In Politics, go with the BIGGEST crowd and you will win; but in Finance, you must go

with the SMALL crowd, if you want to learn the difficult arts of Investment and Speculation.

Never buy when there are more buyers than sellers, or you are sure to pay too much.

Never sell when there are more sellers than buyers, or you are sure to get too little.

As one millionaire once told me — "BUY YOUR STRAW HATS IN WINTER."

Buy when it's the fashion to sell, and sell when it's the fashion to buy.

Prices are always moving up or down in waves. There are always booms and depressions; and every depression is followed by a boom.

The crowd, of course, never looks ahead. The crowd is always a fool. It thinks of the present moment.

That is why most people buy when prices are high and sell when prices are low. They think that the present conditions will last forever.

Most people are optimists during a boom and pessimists during a depression. Of course they are. It's easiest.

But the man who makes money is the man

who is a pessimist during a boom and an optimist during a depression.

ALWAYS BUY FROM PESSIMISTS.

ALWAYS SELL TO OPTIMISTS.

That is the seventh pointer put in another form. It means that you will stand apart from the crowd and take advantage of the up-and-down swings of prices.

The few men who have the courage to do this, get rich, and they deserve all that they get.

They are the steadiers of the market. They prevent the crowd from stampeding and smashing things. That is what all crowds usually do.

Take away the independent speculators from any Stock Exchange, and that Stock Exchange would be closed in a year. It would be smashed by either a boom or a depression. That is a great fact that Socialists and Professors of Economics can never understand.

They do not know how inevitable and how dangerous are the tides of hope and fear that alternately rise and fall in every country.

All crowds must be steadied. That is what leadership means, very largely. And a Stock

Exchange crowd needs to be steadied, almost as much as a political crowd does.

The aim of a wise, strong, patriotic speculator is to make the crowd steadier and more sensible. And, incidentally, he gets well paid for it.

It is an odd fact of human nature, that when a price is high, we think it is going to be higher; and when it is low, we think it is going to be lower.

Prices eternally move up and down — up and down. They are influenced by all the happenings and all the hopes and fears of the whole wide world.

They move above and below the line of value, but they seldom go out of sight in either direction.

Usually, both the hopes and the fears of the crowd are carried too far. As soon as the temporary pressure is removed, the price will swing back to the line of value. That is why you should always BUY AT THE BOTTOM AND SELL AT THE TOP. And knowing that, you may be able to pick the bottom and the top.

Chapter VIII

KEEP YOUR MONEY MOVING

YOUR RATE OF PROFIT DEPENDS MORE UPON QUICK SELLING THAN UPON HIGH PRICES

THE most efficient capitalist in the world is the newsboy. He makes 200 per cent. a day.

How? By keeping his money and his goods moving.

He starts in the morning with 50 cents. He buys 25 papers and sells them for 75 cents. He does this three times during the day. Result: At the end of the day he has $1.25. He has sold 75 papers and made 75 cents profit.

He is truly a capitalist as well as a worker, because he has no employer. He finances himself and he is paid by results.

He is not a financier, as he expends labor as well as money; and he is not a speculator, as he can get his money back on his unsold copies.

But he is the best illustration of the great importance of keeping money and goods moving.

He makes about $250 a year by the investment of half a dollar, plus a great deal of hard work. This is more than he could make in a steady job, very likely; and he has to work only three or four hours a day.

Compare him with a jeweler, who has a $25,000 stock of jewelry, and whose sales are $25,000 a year.

The newsboy turns his money over 500 times, while the jeweler turns his money over only once. That's why there is so much more glitter than profit in the jewelry business.

This brings us to a great law of Finance — it is not the AMOUNT of your capital that matters so much as the ACTIVITY.

Does your capital move once a year, or once a quarter, or once a month, or once a week?

There are two firms in Lancashire, nearly side by side. One has $40,000,000 capital and 18,000 employees; and the other has $4,000,000 capital and 800 employees.

Last year each of these firms made the same amount of profit — partly because the

small firm is more efficient, and partly because it turns its money over twenty-six times a year.

A baker can do a good business on one-tenth as much capital as a jeweler. He can do this because he turns his flour into bread and his bread into money so quickly. He practically sells out his whole stock every day.

One of the universal reasons why most firms make such small profits is that they have too much money TIED UP.

Too much goods on the high shelves!

Too many machines not working!

Too much raw material!

Too many buildings!

All this means idle capital. It is a sort of paralysis.

Often, two-thirds of the firm's capital is dead, and the other third has to bear the whole load.

There is no profit to be made out of the possession of goods, unless prices are rising.

The value of a machine or a building depends upon its USE, not upon its cost. The business world is full of white elephants — expensive things that do not make any money.

Better have an engine of one-cat-power that runs, than a mammoth engine that stands still.

Better take $1,000 and keep it on the hop, than have $10,000 tied up in dead stock.

The essence of Business is EXCHANGE. Money for goods—goods for money—money for goods again! and QUICK — that is the secret of big dividends.

Take a case of two furniture dealers — one slow and one fast. Each buys $100 worth of chairs.

The slow one keeps the chairs a year and sells for $150.

The fast one sells them in three months for $125. He buys more and sells in three months for $155. He buys again and sells for $188. He buys again and sells for $225.

At the end of the year, the slow dealer has made $50, but he has charged his customers a high price and will probably lose their trade.

The fast dealer has made $125 at the end of the year. He has paid his sales people more and he has charged his customers less.

Here you have in a few words the reason why one shop doubles its trade, while another shop, alongside of it, can barely hold its own.

The fast dealer probaly spent $25 on advertising his chairs; but, even then, he charged 25 per cent. less than the slow dealer, and made 100 per cent. more profit.

The slow dealer marks his goods up 50 per cent., yet he makes only half as much profit as the fast dealer, who marks his goods up only 25 per cent. This is a fact that many merchants do not understand.

Your rate of profit depends more upon QUICK SELLING than upon high prices. It is more profitable to make 5 per cent. a month, than to make 30 per cent. a year.

Money-lenders know this, but very few merchants do.

Money is like brains. It was formerly believed that the bigger a man's brain was the wiser he would be; but we know that this is a mistake.

A man may have a very big brain, but if it is slow and sluggish, he is stupid.

The main thing in a brain is not size, but activity. Many a man with a small head is at the top of a big company; and many a man with a big head is a postman, making his living with his legs.

Almost invariably, when I ask a business man what he needs most, he replies, "More capital."

Generally, he is quite wrong. What he needs is to make a quicker use of the capital he has. Any man can double his capital, without borrowing a penny, merely by turning over his goods twice as fast.

Don't over-buy. Don't over-build. Always have more customers than goods and more business than buildings.

It is better to turn a customer away than to carry goods over. *A shop is a temporary depot not a warehouse* — how few merchants know that!

KEEP YOUR MONEY MOVING. Every dollar is a little worker and you must put it to WORK, not to SLEEP; so that it will get busy and come back to you in a few weeks, leading a new little dime by the hand.

Chapter IX

BORROW ALL YOU CAN USE

DARE to borrow — that is one pointer that is most needed by thousands of business men.

Many a business man has a horror of debt. He keeps his firm on a cash basis. He plays safe.

He sails out upon the ocean of trade and commerce with a small boat called "CASH"; and he keeps close to the shore.

He probably keeps so very close to the shore that he runs his boat on a rock and that is the end of it.

Later in life, he learns that most of the rocks are near the land; and that the deep water, far out, is safer than the shallows of the shore.

As I am telling the blunt truth, I am obliged to say this — if you want to play safe and avoid risk, you can never be a financier at all, unless you are born one.

You may be able to keep the money your father made, but you will never make much of your own.

Might as well tell a lion hunter to play safe, as a financier. Might as well tell a steeplejack not to run any risks.

The world of Finance is full of risks, and neither I, nor anyone else, can tell you how to avoid all of them.

An old lion hunter, like Selous, could give valuable pointers to a young hunter; but every lion hunter has scars on his body, make no mistake about that.

Nothing is more profitable, in the long run, than a business risk taken wisely. Ask Lloyds. Ask any insurance company.

But a man must have courage enough. He must have sporting instincts. He must enjoy the adventure of a risk.

A man who will lie awake at night, worrying about a debt, should never have tried to be a financier at all. He should have remained an employee, in a sure, safe salaried job.

But, as soon as a man has tested himself and proved that he is competent to handle

other people's money, then he should proceed to borrow as much money as he can use.

Andrew Carnegie, the man who made a $300,000,000 fortune in the steel business, once told me that he borrowed every penny he could get, when he started in business.

"I was the biggest borrower in Pennsylvania," he said. "I kept one of my partners going from bank to bank, borrowing all he could get."

Ask almost any rich man, and he will tell you that he owes a great deal of his success to a sum of money, which he borrowed for a wise purpose.

A few firms, but not many, have financed themselves entirely out of their own profits. But that is not Finance. That is Merchandising — quite a different thing.

Recently, I met a business man on the train, who told me that he had been in business for twenty-seven years and had never borrowed a penny. He told me this with pride.

He had a small factory, with fifty employees. His net income was probably $7,500 at the most.

This was well enough, but the point is —

he had taken twenty-seven years to build his business up to the $7,500 mark.

If he had borrowed $25,000 in the beginning, he would have built up his business in at least one-quarter of the time.

He forgot the time element. He had taken a lifetime to do what he might have done in five years.

THERE IS NOTHING SO CHEAP AS MONEY. That is a fact that no labor leader has ever tried to contradict.

I go into a mill, for instance, and I find three workmen shovelling coal. They are paid $12.50 a week apiece — $1,950 a year.

If I hired MONEY, instead of LABOR, with this $1,950, I could borrow $32,500 at 6 per cent.

But I could put in machinery, to do the work of these three men, for $12,500.

Consequently, it would save $20,000 of Capital to borrow Money instead of hiring Labor.

Every worker who gets $12.50 a week represents $10,800 of Capital. Every little boy who gets $3 a week represents a Money value of over $2,500.

There is very little net profit to be made by hiring Labor. Take Labor as a whole and you will find that it does not earn its own wages.

It is MACHINERY that makes the profit — MACHINERY and SALESMANSHIP and MANAGEMENT and ADVERTISING and PERSONAL LEADERSHIP.

MONEY and BRAINS — they make the profit in every line of business.

Labor has pushed up its own wages, without pushing up its own efficiency — there you have the basic reason why there are so many unemployed.

The only profitable way to hire a workman in these days, is to put him in charge of a machine, which you buy with money. The machine will then pay for itself. It will pay the man's wages and a small profit besides.

Money means *Machinery* and *Equipment* and *Advertising* and *Mass Production.*

Money puts the profit-making factors into a business — all of them except BRAINS.

Consequently, once a man is sure that he has *Brains,* in a business sense, his next step should be to get *Money.*

If he can get it without borrowing, that is best of all; but if not, then he must borrow it.

From whom? Not from money-lenders. No one should ever go near a money-lender, unless he is friendless and in a most desperate plight.

You can never make any profit out of money borrowed from a money-lender, for the simple reason that you are usually obliged to pay about 10 per cent. a month. Moreover, a money-lender's office is apt to be a trap, in which every possible penny is squeezed out of its victims.

No, you must get your money as cheaply as possible. Don't pay 7 per cent. if you can get enough money for 6. It makes $500 a year difference on every $50,000.

Get it from a bank, if you can. A bank's business is lending money, and a bank will give you better terms and be more merciful in a hard year, than any friend or relative will, very likely.

Banks are generally supposed to be hard and heartless. The fact is that they are not. The last thing that any banker wants to do is to ruin one of his borrowers.

If you cannot borrow any money from a bank, you had better take it as a sign that you should not borrow any at all.

A banker is a skilled specialist on lending. He knows when to lend and when to refuse.

Certainly, every man ought first to have acquired some money of his own, before he dares to ask for money from other people.

But once you have proved that you can make a good use of money, it is better to borrow more than to spend a whole lifetime earning it.

If you want to make more money more quickly, better borrow all you can use.

Chapter X

BORROW FOR EXPANSION, NOT SHOW

SCORES of business firms have tumbled down into bankruptcy because they did not realize the importance of this pointer. They did not know the difference between EXPANSION and SHOW.

Expansion means the growth of the business itself, while show means hanging ornaments on the business.

Expansion means increasing the size and capacity of the business at a time when it is oversold; while show means increasing the prestige and appearance of it.

If a printer finds himself losing $20,000 of orders a year, for lack of a new press, he should borrow money and buy the press.

If a jeweler finds that he could sell more diamonds if he had a larger stock, he should borrow money and buy more diamonds.

There is such a thing as the *compulsion* of growth. A growing business is like a growing

boy. It cannot be kept in the cradle. It must have larger quarters.

But show, on the other hand, is all a matter of appearance. It is decorative. It is what we *like* to have, rather than what we *need*.

To buy a pair of shoes — that is expansion; but to buy spats — that is show.

To buy an umbrella — that is compulsory; but to buy a gold-headed cane — that is appearance.

Money should never be borrowed unless it is sure to pay for itself and to pay a good profit beside.

If you borrow $50,000 at 6 per cent., you should be able to make at least 16 per cent. on it.

It is right to borrow money to buy shoes, but it is not right to borrow money to buy spats.

Many a time I have visited a struggling little shop or factory that was poverty-stricken for goods or machinery; and the owner has taken me out to lunch in an expensive car.

Many a time I have felt like saying — "Better sell your motor and buy a couple more lathes."

Many a time I have found a man living in a fine house, with his sideboard glistening with silver, while his place of business was not even properly lighted or heated.

If I had some men's factories — factories that are struggling between life and death, I would sell my house and sleep in my office, on a couple of desks, with an overcoat for a blanket and a bag of wool for a pillow. I would get my own meals with the aid of an oil-stove, and save $375 a year, which I would put into the business.

Then, when I had enough assets, I would borrow all I could, and put every penny of it straight into the business.

That is the only way to start a business right — to build up a strong robust business that will not fall over in the first gale.

Too many men enrich themselves and impoverish their business. Little by little, their wives and their friends nag them into greater expenditure, and then, presently, the poor starved business gives three squeals and dies.

Not one man in a thousand is like the late John Mackintosh, of Halifax, who even when he had become the greatest taffy manufac-

turer in the world, continued to live simply in a little cottage at $150 a year.

Sir Jesse Boot slept in his workshop, in his early days. Sir Thomas Lipton slept in his grocer-shop, under the counter. Cecil Rhodes slept anywhere — in a hut or on a hill.

Every great business-builder has always put himself second and his business first. Just as a great General thinks first of his men, so does a business man think first of his business.

No money should ever be taken out of a business, if the business will miss it. Better pass the dividend than cripple the business.

In a word, you must be a bit of a Spartan if you want to start with nothing and make a fortune in one short life-time. There is no easy way, apart from luck.

Also, you must avoid show in your business, as well as in your personal habits.

The main thing, always and everywhere, about every business, is not its appearance but its power of making profits.

Better have a successful works in a skating rink or a stable, than have a losing one in a perfect building of steel and glass.

Doubling the size of a shop-front does not

double the business. As a matter of fact, it increases the business by 30 or 40 per cent. only.

NEW BUILDINGS! There you have one reason why dozens of firms fail.

No doubt it is right in theory that a business should be well housed, but the truth is that the building always matters less than we think it does.

The firm that has the handsomest building on Kingsway, made no net profits last year, while the shabby old Bank of England, in the dingiest building in London, is still the center of the world's finance.

Ask any experienced business man — isn't it true that almost every new building is a financial disappointment?

Do you not yourself know at least three businesses that failed in the last two years, because of the money they spent on new buildings?

I know at least three merchants who would give a year of their lives, almost, to be out of their new buildings and back in the old ones.

When your daughter marries an ambitious young architect, beware. Presently you will

be afflicted with buildingitis, and it is a serious and costly disease.

Personally, I do not remember more than two occasions on which I recommended new buildings.

Almost always, I find that a firm does not make the best possible use of its present building. So, why build more buildings?

A new building may be needed for expansion. If so, then build it. But make sure that it is not for show.

This is one of the commonest mistakes in the United States — to overwhelm a business with show. Many an American firm puts up a grand new building, only to find that it has become a mausoleum for a dead business.

Many an American railway has built a magnificent marble station, and then found that it did not add a penny to the revenue, but increased expenses.

Why have such superb stations and terminals? Buses and trams have none at all, and yet they carry a heavier traffic than any railroad.

There is such a thing, too, as spending too much money on fine offices and an elaborate

organization. All this is superstructure. It adds to the expenses and not to the profits.

Every business, as it grows larger, is in danger of becoming ornamental at the top.

Every business accumulates *extras* — both human and mechanical; and no money should be borrowed to pay for these extras.

All borrowed money must be productive. If not, it does more harm than good, as it introduces habits of self-indulgence.

There are two Master-Motives in business — PROFIT and PRIDE. If you borrow for PROFIT, all is well; but if you borrow for PRIDE, then your business is in danger.

Borrowed money either lifts you or crushes you, according to the use you make of it. That is why you should always borrow for EXPANSION but never for SHOW.

Chapter XI

GIVE, BUT NEVER LEND

AT the risk of being called hard-hearted, I am going to say a few things that need to be said, about the danger of lending money to friends.

It would have saved me quite a bit of money and half a dozen friends, if some kind writer had told me these things thirty years ago.

The fact is that as soon as you are known to have money, you find yourself with a new set of difficulties.

Then come the PARASITES.

An Encyclopædia could be written on these PARASITES. They are of all sorts and ranks. They range from the half-drunken whiner at the curb, to the Bishop in his gorgeous robes.

They are relatives, friends and strangers. They are women as well as men. They are honest as well as dishonest. They are deserving as well as worthless.

But they all want to take away your money — make no mistake about that.

Parasites all! Beautiful women, with the faces of saints! Dignified gentlemen with the manners of courtiers! Nephews and nieces and uncles and aunts! All with their hands out and their eyes on your pockets!

There is no known way of detecting a PARASITE, until the revealing moment comes, when he suggests that you should transfer some of your money from your pocket to his pocket.

There is no known way of escaping either the respectable Beggars or the disreputable ones. Many a business man has had the shock of his life to find that his own SON has been bred with the instincts of a Beggar.

But there is an eternal war on, between the BUILDERS and the BEGGARS, in this world. It is a fight to a finish.

The BEGGARS overthrew the Roman Empire, and they have become so strong in the British Empire, that no one can tell, at the moment, how the fight will end.

Every business man who is a BUILDER is surrounded by BEGGARS just as a lion in the

Jungle has his jackals waiting about to steal what he leaves.

Happy is that builder who marries a woman who also has the spirit of a builder. He is sure of a success that shall not be broken down.

But as for the builder who marries a beggar, God pity him! No matter how strong and clever he is, he will be pulled down in the end.

As soon as you have any money in the bank, you must not become hard-hearted, but you must learn to say "No."

It is fully as hard to *keep* money as it is to *get* it — every rich man knows that.

That is why rich men, as a rule, are so uncompanionable. They are compelled to be always on their guard. They almost develop quills, like a hedgehog. And no wonder!

No matter how big a man's fortune is, it can be taken away from him in a very short time, if he is off his guard.

I once knew a man named De Bardeleben, who discovered an iron mine and sold it for $2,500,000. He went to New York and in six weeks he had lost every penny of it.

There is no limit to the rapacity of the

Parasites. The more you lend, the more they want. They are insatiable.

If a rich man wants to remain rich, he must keep his capital intact. Whatever he gives or lends, must come out of his income.

He must not endorse another man's note, no matter whom the other man may be.

He must not sign any blank checks.

He must not have a joint banking account with anyone, not even with his wife.

He must keep out of all money entanglements, for there is nothing that brings out the lower nature of most people, like a difference of opinion about money.

Leave lending to bankers and pawnbrokers. They know how. You don't. They have means of protecting themselves. You have not.

It is worth noting that professional money-lenders usually charge 10 per cent. a month. Very likely they are obliged to do this, to make up for their losses and high expenses.

Lending is a halfway thing. It is neither giving nor investing.

It does not bring you any thanks nor give you any chance of a profit.

It is worse than betting, for there is no excitement in it — no sport — no possibility of good luck.

If a friend of yours tries to borrow money from you, first ask him why he does not go to a banker.

Then, when he confesses to you that he is in a hole, don't lend him the money. Do better than that. Buy a small interest in his business — enough to pull him out of the hole.

It is always better to *Invest* than to lend. If you become a share-holder, then you have a right to advise and a right to a share in the profits.

If your friend succeeds, you will have a share in his success, not merely 6 per cent.; and if he fails, you will get at least a part of your money back.

As a rule, men who borrow from friends are generally unreliable and often parasitical. They are of the clinging ivy type.

The self-reliant, independent man will not let his friends know that he needs any money.

In a word, the man who asks for money is not likely to deserve it, while the man who does deserve it won't ask for it.

There is a certain type of man to be found in all towns — a man who has no conscience in the matter of debts. He is a mollusk. He takes life easily and everything else he can get without working for it.

He may be well educated and charming and all that, but he is a mendicant. He begs "fivers" and cigars and week-ends. He is merely a gilded loafer and he should have no consideration from self-respecting men.

Such Parasites lack the courage to become thieves. They keep within the law. But they take away more money from other people than the thieves do.

It is a curious fact, too, about lending, that even when you lend money to an honest man, you are apt to lose his friendship by so doing. Whenever you lend, you lose a friend — that is usually true.

No one has yet written a book on the psychology of ingratitude, but it is a very interesting subject and deserves your notice.

No one likes a lender. That is a very strange fact. As soon as you lend a friend money, you cease to be a pal and become a Shylock.

He thinks of his debt as a burden, and he blames you as the one who put the burden on him. This is stupid and illogical, but it is what happens in most minds.

Friendship depends upon equality and reciprocity. It is destroyed by philanthropy. If I take a friend to a restaurant twice and if I pay both times, our friendship is in danger.

Friendship cannot exist between superiors and inferiors. This is a law of human nature that cannot be ignored.

Speaking on a moral plane, you do a man harm if you lend him money just because he asks for it.

You weaken his self-reliance and his self-respect. If he asks for money, he needs far more than money — make no mistake about that.

The truth is that we LEND too often and we GIVE too seldom. Very few of us give enough.

We should give oftener, and we should only give to people who are doing their best to help themselves.

Chapter XII

BUY THE ORDINARY SHARES OF THE BEST COMPANY IN THE WORST INDUSTRY

THIS one pointer is worth the lot, for those who can understand it and use it. I have found it for years quite as good as a pension, and much more exciting.

This is a pointer of my own, which I have never before made public. It is a SYSTEM.

It will not only make money for anyone who dares to use it, but it will render a public service as well, by preventing slumps and booms from going too far.

The meaning of this pointer is as follows:

There is almost always some industry that is in the dumps. It may be cotton or rubber or iron or oil or wool or jute.

Then, there is always at least one company in this industry that is known to be safe and progressive and well financed — a company with a big reserve.

This company must be one that has common shares. It is better to buy common shares because they rise higher and fall lower than other securities.

In a slump in any industry the best company in the industry is pulled down with the rest. Its common shares fall farthest.

So, if you buy common shares of the best company in a depressed industry, you are as sure of a profit as anyone can be sure of anything, in this world of risks.

You see, you are betting on the *industry*, rather than on one concern. No industry remains always in the dumps. All industries have their ups and downs, and when the industry goes up, your shares will be the first to rise.

This pointer, of course, is only for the few who have the money and the nerve to speculate in the securities of the Stock Exchange.

I am not at all alarmed that too many people will at once proceed to follow it. If a lion-tamer told his secret for killing lions, there would not likely be any great rush to the Jungle.

Knowledge, alone, is never of any use to

anybody. It is *knowledge in action* that achieves results; and very few men are men of action. They are only men of inertia.

If I were writing for a daily paper, I would say — "Keep your savings in the savings bank. Take your 4 per cent. and be content."

But, on the contrary, I am writing these pointers for the efficient few; and my purpose is to enable them to make more money, more quickly, more easily, and more happily.

My whole purpose in life, in these later years, is to train as many *money-makers* as possible; and to enable honest men to hold their own against rogues.

Consequently, I am venturing to bring this series to an end with a grand finale, by giving my own personal system of speculation.

Bear in mind that this is *my system,* not *yours.* If you try it and lose, that only means that you had better get a system of your own and let mine alone.

Usually, when I am asked to give advice on Stock Exchange securities, I say:

"If you want *Safety,* buy debentures;
If you want *Speculation,* buy Preferred;
If you want *Sport,* buy common."

The Stock Exchange is one of the most useful and wonderful institutions in the world. It is the high-water mark of financial civilization.

Fools dislike it and weaklings fear it. Both have good reason to do so. It is not intended for fools and weaklings.

According to the silly novelists who write about the Stock Exchange, it is a place of wolves and lambs. It is a jungle of traps and plots and conspiracies.

According to Socialists and other juvenile theorists, the Stock Exchange is the central fortress of the MONEY-POWER — that black Giant who appears in Socialist fairy tales.

"Keep away from the Stock Exchange," say these people. "It is a place of robbery." As well might they say — "Keep away from Hyde Park Corner. It is a place of death. Nine people were killed there last year by being run over."

True, the Stock Exchange, like Hyde Park Corner, has its dangers and its accidents. But the remedy is not to destroy either. The remedy is to be as careful as possible and to keep children and weaklings away.

There are some places reserved for the STRONG, and the WEAK should walk wide of them. One of these places is the Stock Exchange.

The Stock Exchange is neither more nor less than a MARKET. It is a place where you can at once either buy or sell securities.

The Stock Exchange is as necessary as the railroads and the docks. If it were destroyed to-day, another one would spring up to-morrow.

It is more than a market, too. It is a barometer of trade and commerce. Every business man should study it and take one of the financial dailies.

The Stock Exchange represents public opinion. It tells you the signs of the times. It looks ahead. It gets all the news first. It is always in advance.

Stock Exchange prices do not represent VALUE. They represent present tendencies and outlook. They represent the hopes and fears of the wisest men in the world of Finance.

No individual is wiser than the Stock Exchange; and no individual is stronger.

No individual can make artificial prices, as the novelists say they do. Now and then, some speculator with a swelled head, tries to play tricks with prices, but the market opens and swallows him up.

Prices go eternally up and down — up and down. They are influenced by all the events and ideas of the world. The crops, the weather, the strikes, the wars, the elections, the bank rate, the budget — all these push prices up or down.

Prices are moved by facts and fancies and fears and rumors and wishes and excitements.

The way, then, to make money is by noticing the contrast between the *present price* of a stock and its *real value*.

THE MOST SUCCESSFUL SPECULATORS ARE THOSE WHO ARE THE MOST INDIFFERENT TO PUBLIC OPINION AND MOST AWARE OF REAL VALUES.

As a further help in following this pointer, I would suggest the following method of procedure: —

(1) Select fifteen or twenty securities.

(2) Select those of which you have some personal knowledge.

(3) Select those in your own town, to begin with.

(4) Select only those securities that are frequently bought and sold on the Stock Exchange.

(5) Select securities that are at least five years old.

(6) Select securities of firms that are well managed and widely known.

(7) Select securities from at least a dozen different industries.

(8) Select American, not foreign, securities.

Then, when you have made your list, watch the movement of prices.

When there is a slump in one industry, you will notice that the common shares of one of your selected companies are depressed.

Then *give the order to buy;* and at the same time, give your banker an order to sell at a 25 per cent. rise.

Then forget the whole matter until your banker notifies you that he has sold.

This comes as near to scientific, safe and automatic speculation as anyone can expect.

If anyone knows of " a better'ole," let him go to it. This is the one that I have dug for

myself, after 20 years' experience in speculation; and which I am herewith offering to my friends.

Making Money Happily

Twelve Tips on Success and Happiness

BY
HERBERT N. CASSON

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Chapter I

DO YOUR JOB A LITTLE BETTER THAN EXPECTED

THE FIRST STEP ON THE ROAD TO SUCCESS AND HAPPINESS

ALL of us, very likely, are after the same thing — we want to have a good time. And this means Success and Happiness.

To have a good time is the purpose of life. It is the hope of the world. It is the purpose of all trade and commerce.

Unfortunately, most of us blunder about until our short lives are nearly over, before we find out what a good time means, and how to have it.

At first, when we are children, we think that a good time means lots of fun, no work, do as we like, and something for nothing.

Many of us, not all, discover that this is a silly notion. It leads only to mischief, spankings and stomach-aches.

Eventually, after having plenty of troubles, we learn that Success does not mean grabbing everything we want, and that Happiness does not mean idleness and chocolates.

The fact is that every one can have both Success and Happiness — even the rich can have both, if they go about it the right way.

Success and Happiness are results. They follow certain causes and you cannot have results without causes.

Success, usually, is measured by what you possess, and Happiness is measured by how you feel. What you HAVE and what you ARE — is how we measure the fullness and ripeness of a man's life.

The very first step — the A B C of Success and Happiness, is this Tip No. 1 — DO YOUR JOB, WHATEVER IT IS, A LITTLE BETTER THAN PEOPLE EXPECT YOU TO DO IT.

If you're a street-cleaner, sweep around the lamp-posts and if you're a Prime Minister, spend your week-ends trying to reduce taxation.

The longer I live, the more I am convinced that *a man's whole life depends upon his attitude towards his job.*

Go into any prison and you will find it full

of people who began going wrong by regarding their work as a bore and a nuisance.

Most people regard work as a penalty. It is the punishment of the poor, they think. And there you have the main reason why most people are poor.

Everything in this marvelous world is mental. We are living in a world of Thought. Every Thing was first a Thought. Consequently, Success and Happiness must begin by having the right Thought about your daily work.

Whether you're a man or only one of the performing animals in the big Human Circus, depends upon how you regard your job.

You have seen a trained seal, in the Zoo or the Circus. You have seen him beat a drum with one of his flippers, or keep a balloon up in the air or catch a hat on his nose. But did you ever see him do more than he was expected to do? Never.

Professor Garner — the man who spent his whole life studying monkeys — once told me that monkeys would gather around a fire in a jungle. They would enjoy the fire. They would dance around it. But never, by any chance, would any monkey ever put a stick on.

It is a stern and terrible truth, which you may be sure is never told to us by politicians, that the mass of people work like lower animals — like trained seals.

They work because they must, and they do as little as they dare. They require trainers and supervisors.

A century ago, when machinery came into use, the labor leaders made a fatal mistake. Instead of starting schools to make the working people more intelligent, they started unions to turn them into human machinery.

The workers followed the wrong leaders. They should have followed Watt and Arkwright and Crompton and Hargreaves and Stephenson, all of whom were working men.

They should have welcomed machinery and helped to invent more. But they fought machinery. They flung stones at inventors. They struck against industrial progress. They lost. And they have been in an inferior position ever since.

To-day the average worker in a factory is like a wheel. You have to put a belt on him to make him go. And he does not go an inch farther than he is pushed.

The truth is that most workers regard them-

selves as slaves. They work in slave fashion and they jump for freedom the moment the bell rings. There you have the secret of their failure. They create their own slavery and remain slaves all their lives.

They could be free — free from supervision — free from any feeling of inferiority, if they only knew it.

Any worker, in the lowest position, can win the respect and goodwill of the manager. It is often done. There is no trick in it.

The moment that any worker takes a keen interest in his work, and finds a way to do it better, he'll be conspicuous enough, no doubt about that.

Do something extra. Do something you were not told to do. Do something that you may not be paid for. There's the first step on the long road that leads to Success and Happiness.

It's all in the Bible, plain enough, but parsons have never understood it — " Whosoever shall compel thee to go a mile, go with him twain."

If you do only what you're compelled to do, you're a slave; and the way to set yourself free is to do what you are NOT compelled to

do. That is the right idea, and Christ taught it 2,000 years ago.

If you say — "But I want to be my own master," then you're still groping in the dark. That is a foolish wish. No one is his own master. He that is greatest among us is the servant of all.

The bigger and freer a man is, the greater are his obligations and responsibilities — there's a fact to put you on the right line of thought.

That is the great truth that the Trade Unions have never understood, and that most capitalists have been slow to accept.

Put your work first and your work will put you first — all the inventors and creators of the world will tell you that this is true.

This is the secret of promotion. It is the real reason back of what is called good luck. It is the way that winners are made, always and everywhere, no matter what the game is.

Once, I asked a general manager who was in charge of 40,000 employees, how he had his first start in life.

"I was a lad in an office, with 120 other lads. One holiday, I went down to my desk to finish a job. The manager saw me. I was

promoted the next week. That started me, and I just kept going."

Do what you are told — that leads nowhere. That is only being a trained seal.

But do a little bit more — that leads upwards to the seats of the mighty. That is what creates wealth, and character, which is more than wealth.

This Tip alone will lead to Happiness, and it is the beginning of almost every great personal Success.

Chapter II

LEARN ALL YOU CAN FROM THOSE ABOVE YOU

GET RID OF SELF-CONCEIT, SELF-SUFFICIENCY AND SWANK — HAVE AN OPEN, FREE-TRADE MIND

WHEN I was a young man I was a devout hero-worshipper. First, Carlyle taught me to revere the great men of the past, and then Stead taught me to revere the great men of the present.

I subscribed for Stead's "Review of Reviews" in 1890. It was at that time the most virile magazine in the world.

Stead opened my eyes to the greatness of the present. He had a series of articles on "The Great Man of the Month."

He pointed out that history was now being made, by men who were fully as great as Columbus or Charlemagne or Hannibal.

Stead had all manner of ideas himself — good, bad, and indifferent; but he made thou-

sands of people think. He woke them up from the sleeping sickness that afflicts the bulk of mankind, and taught them to be interested in the improvement of civilization.

So I may truly say that I learned this Tip No. 2 from Stead. It was he who put me in the humor to learn and to hope for all sorts of amazing things.

Later, I learned this Tip more thoroughly from Edward Everett Hale, whom I knew in Boston in 1894. He was then about 70 years of age and the most eminent man of letters in the United States.

"Look up, not down," said Hale. "Look out, not in; look forward, not back; and lend a hand."

He taught me that most of the evil in the world is caused by selfishness, conceit, morbidity and tradition. And the cure is to look up — to look forward and to lend a hand.

Always and everywhere, a swelled head is a sign of ignorance. Self-conceit — self-sufficiency — swank — any man who wants to reach Success and Happiness must get rid of these.

Every sensible man should say to himself, every now and then — "There are plenty of

abler and better men in the world than I am, thank God."

In these days of democratic cant, we don't use the good old phrase — "our betters." Why not? Isn't it true that almost any man may be superior in some one thing?

There is still "Master and man," but it has a higher meaning now. If I am teaching a boy how to play golf, then I am master; but if he is teaching me to play chess, then he is the master.

No man is at the top in everything, is he? The wisest corporation head can learn much from any old workman in his employ. Many a time, Napoleon learned what he needed to know by asking one of his soldiers.

If, then, we can learn something from almost every one, how much more can we learn from those who are above us in our own trade?

WHAT IS YOUR ATTITUDE TOWARDS THE TOP MEN? That is a vital question. Do you sneer at them and point out their luck, or do you study their methods and ideas?

One of Emerson's Twelve Principles of Efficiency is "Competent Counsel." This means expert advice. It means that you

should not depend upon your own 20 per cent. knowledge, if you can get the help of any one who has 50 per cent. knowledge on any subject.

To be teachable — that is the beginning of wisdom. To have an open, free-trade mind! To realize that no one can stand still in a moving world!

When a man says "Yes, I know it from A to Z," isn't that nearly always a sign that he only knows it from A to F?

This foolish self-conceit has been greatly increased by the political dogma that "one man is as good as another."

A Labor Councillor in Glasgow recently objected to paying a high salary to a skilled engineer. "I'll not vote for any man to have a salary that is bigger than my own."

How dare any man assume that no one is worthier than himself?

It has become the habit of politicians and Socialists to jeer at the Top Men. Too often the professors and novelists follow suit.

Monkeys, I have no doubt, take great pleasure in the jungle, in throwing cocoanuts at elephants. For the moment, it makes them forget that they are only monkeys.

Little people almost always "sit in the seat of the scornful." No doubt that is why they remain little.

How can a man become wise, if he doesn't appreciate the value of wisdom?

How can he succeed, if he believes that *Success* is gained by luck and trickery instead of by ability and perseverance?

How can he win the loyalty of others, if he is not loyal to those who are above him?

And why should any man try to fool himself, and pretend that he is bigger than he is, by jibing at everybody who is above him?

No man should be servile — of course not; but it is always the man who has the spirit of the slave who makes faces at the foreman's back.

A man should face the facts, as to where he stands in his trade or profession. He should make a list of the men who are above him. He should try to find out whether he is 5th or 25th or 500th. Then he should study the ideas and methods of those above him.

The wiser a man is, the humbler you will find him.

And the greater you are, the more you respect those who are greater than you.

Chapter III

HELP THOSE WHO ARE LESS FORTUNATE

FIVE VARIETIES OF RICH "FAILURES"

THIS Tip means that you should always pass on a bit of your luck. If some one gives you a quarter, give a nickel to a kiddie. If a stroke of luck or a fortunate investment brings you $25 or $25,000, give $5 to your mother or sister, or $1,000 to a needy hospital.

This is for your own sake, remember. It is not a price to pay for Heaven, nor a bribe to avoid Hell. It is the one way to get Success and Happiness, both.

Learn. Then teach.

Get. Then give.

This is a law of life. It is a principle of human nature. It is one of the bedrock facts that cannot be changed by legislation.

Few men can be like Andrew Carnegie and give away $300,000,000. But every one can

give away twenty minutes a day. Everybody can help somebody.

The point is that you must become a leader and a teacher at once, and not wait until you are very rich and very wise.

If you have $500 and don't help any one, you may be sure that you wouldn't help any one if you had $5,000,000.

In fact, a much higher percentage is given by the poor than by the rich. The poor help one another more than the rich help them. Everybody who has lived in the slums knows that.

Just as the law of health is — energy in, energy out — so the law of mental and moral health is — get; then give.

If you can always be a true Boy Scout, and do a good turn every day, then the wealth of the Rockefeller family wouldn't do you any harm.

Success is dangerous. If you doubt this, go to a rich man's club and look at the hard faces. Look at the thin slits of mouths and the leather nostrils and the granite eyes.

Look at the so-called homes of most rich men — homes without home life — without privacy or affection.

The father thinks only of money. The

mother thinks only of fashion. The children think only of sport. And none of them cares for the others. That is what life is like, in most of the big houses of the world.

In such homes, the children are ruined; and eventually they pull down the whole structure on top of the heads of their parents.

The children are brought up without duties. They are waited upon by servants. They are not taught to serve nor to help any one.

It must be admitted that there is an element of ruthlessness in business. Heavy responsibilities make men serious; and usually, they make men hard.

You can't get money without paying a price for it; and most men pay too much. They give THEMSELVES for their money.

As Andrew Carnegie once told me — "Very few millionaires laugh." They lose their joy of life, their kindliness, their sociability. Carnegie didn't. But he was a rarity.

How to battle for your own interests without thinking only of yourself — that is the problem. It can be done. There are thousands of successful business men who are kindly and simple and sympathetic.

How to avoid being self-centered and mor-

bid! How to hold fast to friends as one's fortune grows larger! How to keep human and get rich! That is the problem.

As soon as a man realizes that he has a bit of surplus strength, he must make a daily habit of helping lame dogs over stiles.

If he sees a lad below him, climbing in spite of falls, he must give him a hand. He must help the helpless and the self-helping — these two classes and no others. No one should help the loafers — the slackers — the whiners — the hangers-on.

But the vast mass of ordinary people are right-minded and worth helping. Thousands need just a little help.

No matter how brilliant you may be, you should always keep in touch with unpretentious people. Keep in touch with PEOPLE, not dogs and horses only — not with ledgers only — not with directors only.

It is not enough to write a check for a hospital. That won't keep you human. Go and see one of your ill employees. Bring him flowers and a novel. That would be more like it.

Too many capitalists get caught in their own system. They build a big mechanism and

then find they cannot escape from it. They are like the Dutchman who built a great sausage machine and then fell into it and came out bologna.

There are five kinds of men who make a failure of their lives, although some of them become very famous or very rich. These five varieties are:

1. THE MACHINE. The man who puts routine first. He is often efficient, but he pays a high price for his success. He is often regarded as a man to be envied, but in his heart there is nothing but ashes and cinders.

2. THE MISER. The man who holds fast to all that he gets. He loves gold and property more than anything else. He has a certain joy in ownership, but in the end his joy turns to fear and emptiness.

3. THE HERMIT. The man who hoards personal feelings as a miser hoards gold. He is the bookworm or the collector of antiques or the man with a lonely hobby of some kind. Such men are often happy in a weird way; but they are not really men among men. They are only broken scraps of human nature, no matter how wise they may be.

4. THE SNOB. The man who despises those

who are beneath him. He is usually a toady to those above and an autocrat to those below. There are not many of this sort in business.

5. THE BRUTE. The man who is cruel to those below him. There are plenty of these in business life. They are men who want to rule, to dominate. They represent force and authority. They are often successful, but they are always hated.

So, the best way to avoid being one of these five human misfits is to carry out this Tip No. 3, and lend a hand to those who are less fortunate than you.

Life ought to make you ripe, not rotten. It ought to make you sweet, not sour. It ought to make you fonder of children and young people who are just starting out on their little careers.

Give a help. Have a heart. Don't expect gratitude. You'll get a little, not much.

Usually, if you help a man up a hill, he'll forget you when he goes around the corner, but what does that matter? You have done him good. You have made him believe in Goodness and Kindness. You have knocked the agnosticism out of him. Isn't that a great thing to do?

You'll be cheated — yes, many and many a time. If I had lost a hair every time I've been cheated, I'd be bald. But what then? Am I going to act like a pig because there are thieves in the world?

" It is more blessed to give than to receive." That's a business motto. It is one of the truest truths in the world.

In Heaven's name, what is the money for if you don't GIVE a bit of it?

What is knowledge for, if you don't TEACH?

What is power for, if you don't HELP?

Humanity is a rope of short strands. Every one of us is a strand. What makes a rope strong? Long strands and a tight twist. So it is with us. If you are a long strand, tightly twisted with your fellow-strands, then you are helping to make the rope of Humanity stronger.

If you are only a short untwisted strand, you'll be blown off and you'll go in the dust-bin.

HELP, TEACH, GIVE.

Chapter IV

GET RID OF FEAR

NO ONE CAN HURT YOU IF YOU ARE TRUE TO YOURSELF

I'M afraid — I'm afraid — I'm afraid! " A million times a day we say it — " I'm afraid." And then we wonder why we have so little Success and so little Happiness!

If you spend your whole life looking for safety, then you'll get safety, perhaps, and you'll find out how little it amounts to.

Safety isn't Success and it isn't Happiness. Safety is a negative thing. It isn't worth a bean by itself. It's not-getting-hurt — that's all. Yet millions of people waste their whole lives trying to be safe.

The world of business is filled with fears. It is filled with people who are Hiding — Dodging — Running for Dear Life.

Just as, in the jungle, every animal is afraid of something, so in the world of human life, not one of us can altogether escape fear.

A tiny child is afraid of the dark. It is sometimes taught to be, by a mother who ought to know better.

A boy has fewer fears than any one else, but he, too, is afraid of a cross dog or of a bigger boy or of his father.

A grown man is afraid of bankruptcy, scandal, unpopularity and a score of other things.

Fear seems to be bred into our blood. Our subconscious self seems to be packed full of it.

Most of us — men and women, are so full of fears that we are never alone if we can help it. How many of us — city people, would walk a mile up a mountain at night and sleep happily alone in a house? Not many.

In business life, as well as on the battlefield, men have shellshock and spasms of fear — blind, mad, unreasoning fear.

Several years ago, one of my neighbors in the south of London lost a large part of his fortune in a copper speculation.

" I'm ruined," he cried, and shot his wife — a very beautiful woman — and himself. Then, after the double funeral, it was found that he had $400,000 left. That was a spasm

of fear. It is one of the most ghastly things in the world.

Most business men have these spasms of fear in times of depression. Then they cancel orders, and sack employees, and stop advertising, and dig themselves in.

Generally, it is not what *does* happen that frightens men, but what *might* happen. Most men squeal before they are hurt.

Most men are frightened by threats, whereas a threat is nothing but talk. Years ago I made a rule never to take action because of a threat. And it has been a very good rule.

When a firm says " If you don't do what I say I'll make you regret it," don't do it. Once it is known that you can be influenced by threats, your life will be made miserable by bluffers and blackmailers.

Go ahead in face of threats and anonymous letters. They are nothing but the weapons of cowards. Threatened men live long. *And if you don't die until a threat kills you, you'll live for ever.*

It is always best to live at peace with your fellow-men, as far as possible; but now and then you must fight. You must either fight — lose or win — or be ashamed of yourself.

Too many good and able men ruin their lives by being afraid of what people will think. Some are frightened of their own friends; and many are terrified of their own families.

The truth is that no man can escape either criticism or risk. You can never be blameless and you can never be safe, so why worry about it?

Always and everywhere, the most successful men are those who have been most criticized and who have taken most risks. Ask any man who is head of his business.

The price of leadership is criticism and scandal; and the price of wealth is risk. There is no big profit without risk. If you want 100 per cent., you must invest in DANGER, LTD.

Whenever I see a wide, smooth road, and a crowd of people walking along it, I say: "No use going there. That is only a 3 per cent. road." But when I see a narrow, rocky path, leading to a high fence, which has a sign on "KEEP OUT — TRESPASSERS PROSECUTED" then I say "Eureka! I must climb over this fence. There is 100 per cent. on the other side of it."

No, we can never abolish risk and danger, and life wouldn't be worth living if we could.

Danger weeds out the strong men from the weaklings. It is the scales of evolution. It enables the fittest to survive. It builds fortunes, and better still, it builds character.

What we need is MORE risk, not less. We have become too soft — too easy-going — too fond of lazy week-ends.

We should learn a lesson from our great insurance companies. They BUY risks. Perhaps you haven't thought of that. Risks are seldom worth what people will pay to get rid of them.

Look at Lloyds. It has stood, as solid as Gibraltar, for 236 years; and it makes all its money by taking risks. It makes $150,000,000 a year by taking risks.

Lloyds has 1,000 members — the most jovial and contented men in London, I have no doubt. They never have spasms and kill their wives, not they. They know that there is nothing safer in business than taking another man's risk. They know that 95 per cent. of men's fears are all moonshine.

So, if you are crossing a busy street, you can take as your rule — "SAFETY FIRST"; but if you are building up a business, you had better throw "SAFETY FIRST" into the dustbin.

Often, you may be afraid. But suppose you are; that is no reason for suicide. You must say to yourself — "I'm afraid, but I'll stick." Then stand fast, even though you shiver your teeth out.

Face your fears. Walk towards them. And you'll be surprised to see how small and weak they are.

Do what you're afraid to do.

Be brave enough to buy in a slump. Be brave enough to sell in a boom. And you'll have to hire a taxi to take your profits home.

If you are in trouble, always ask, "What is the worst that can happen?" You'll usually find that the worst is not so terrible.

"Ah, but," says a frightened man, "it might be Death." Well, what then? Since when did Death become more important than character and self-control?

If it is really Death that threatens you, if the curtain is about to ring down on the little drama of your life, for Heaven's sake have a Grand Finale. Don't let the curtain go down on a suicide or a coward.

Courage! It is the rarest and most precious of all our real possessions. It is not taught in

schools nor in churches. Every man must learn it for himself.

Danger is a tonic. It is a necessity of the inner life. You can never learn to be a good loser until you lose.

So, here are unanswerable reasons why you should adopt this TIP as one of the rules of your life — GET RID OF FEAR. NO ONE CAN HURT YOU IF YOU ARE TRUE TO YOURSELF.

Chapter V

LIVE ONE DAY AT A TIME

DON'T LET ROUTINE SWALLOW UP YOUR PRICELESS DAYS

LIFE consists of days, not years. Days are all that we're sure of. Too many of us drift along and forget the approach of that final event called Death.

Time is everlasting, but you and I have only a tiny bit of it. What we would do, we must do quickly.

Time is the stuff that Life is made of. There is nothing in the world so precious and so scarce as time.

Really, to live a complete, well-rounded life would require at least 200 years; but we have only seventy or eighty at most.

Time is above gold. It is above power. It is the one priceless possession that everybody owns. And yet — here is the point, nearly everybody wastes it, throws it about

and never gives it a thought until it is all gone.

Many an aged man just about to die, suddenly has a flash of intelligence and sees what he has done. "My time is all gone," he says. "My God! what a fool I've been! I hadn't begun to live."

We have no days to waste. We need every one of them to build our lives with. No one, ever, has too many days when he comes to the end of his life.

That is why we should not allow a day to be all routine. That is why we should always put to a good use the two or three hours before bed-time.

That is why we should end every day with a little friendship, or music, or study, or fun, or family sentiment.

Never a day without a laugh, except when sorrow comes. Never a day without a book. Never a day without a friend. That is the way to be sure, every evening, that you have come to the end of a perfect day.

It is a principle of efficiency — the smaller the unit of time, the better. A firm that has only an annual report is sure to be inefficient. A year is too long.

Monthly reports are valuable. Weekly reports are far better. And daily reports are best of all.

If you make your business a DAILY one, you have 300 chances to avoid wastes, to correct mistakes, and to make improvements.

One of the ablest companies in the world is the Standard Oil Company; and one of the chief secrets of its success is its habit of running its affairs a day at a time.

Every weekday morning at 10 a. m., the Directors of the Standard Oil Company meet around a big table. They listen to telegrams and cablegrams from all parts of the world. They do not depend upon the daily press. They have their own reporters wherever there are any oil fields. And they decide at once what to do.

They never lose a day. That is why they have built up a group of companies that are worth billions of dollars.

A retail shop measures its efficiency by the length of time that it requires to sell its goods. A shop that turns over its stock ten times a year makes ten profits, while a shop that turns over its stock only five times makes only five profits. Both shops may have the same

amount of capital, but one makes twice as much net profit as the other.

A factory, too, measures its efficiency by its use of time — its output depends upon the actual working time of its machines.

The eight-hour day, in most factories, is all imagination. The actual working time of the machines is more likely to be three hours, because of delays and bad management.

How much time have you — NET? That is a question that would floor most of us.

We all have twenty-four hours a day — GROSS. But very few of us have even two hours a day of time USED CREATIVELY.

We spend eight hours in sleep and eight hours in routine. That leaves only eight hours gross, for self-development and recreation. This eight hours is usually frittered away in one way or another, or put to some sort of a dog's use. If we manage to save two hours out of the mess, we shall do well.

The fact is that time fools us. Time is nothing, to speak scientifically. The future is eternally becoming the past, and this flow is called time.

There is in reality no future, and no past, except in hope and memory. There is no time

but now; and time is nothing except as we use it.

A young man of twenty-five may have had more time than an old man of eighty, because he has seized it as it flew past and made it his own.

Most people are duped either by the future or the past. Usually, a young man dreams about the future for the first half of his life. Then he dreams about the past for the second half of his life. And in this way he loses both halves.

This can be avoided by living day by day. I do not mean that we should be butterflies or that we should not make large plans. But I do say that we should make every day worth something to us.

"Act — act in the living present" — that is the only way to get the best of Time.

No regrets and no fears! No worry over what can't be helped and no dread of what may happen to-morrow! That is the way to live unmastered.

We must not drift nor postpone nor wait. We have no time to wait for anything. We must act and we must be QUICK.

Don't defer Happiness as misers do. Don't

live squalidly and pile up thousands. First, make a home — the best you can afford. Then bring the fullness of life into that home.

Appreciate what you have already got. Then you are fit to have more. And add a little bit to your Success and Happiness every day.

Don't depend too much on hope. An ounce of Happiness is worth a ton of hope. Half the time, hope simply means that you're fooling yourself.

Why wait? There are glorious days for those who dare take them. You can pack the life of a whole month, often, into one thrilling day.

There are tiny water-flies that live in the sun for a single day and die. But they LIVE. They fly and they flash and they love each other. They don't crouch on the shady side of a leaf and hope.

A man of fifty who has lived daily has had 18,000 good days; and no one can rob him of what those days have given him.

Make a day your unit. Make it a LIFE — a complete Life on its own.

This will keep you balanced, and balance means sanity, doesn't it?

Sweeten every day with a good deed and a little fun and romance and adventure.

Don't let routine swallow up your priceless days. Routine is the basis of everything, but it is not the superstructure.

Keep ABOVE your business not under it. If you have money, OWN it and use a part of it on the art of living.

There was once a wise Teacher who said: "Give us each day our daily bread." Yes — each DAY — our daily bread and our daily WORK and our daily HAPPINESS.

Chapter VI

WASTE NO TIME ON LITTLE THINGS

ALWAYS BE ON THE WATCH FOR BIG OPPORTUNITIES

IF you wish to be both successful and happy, you must get a true perspective, so that you can distinguish between the big and little things of life.

You must not waste your energy on little matters; and you must not fail to use all your energy — every last volt of it, when you are confronted with a great opportunity.

If you miss your car and have to stand ten minutes in the rain — tra-la-la — what matter? But if you are on a boat, crossing the Channel, and your little daughter falls into the sea — jump overboard. That's what I mean.

You must train your mind to measure events as they happen. A measuring mind — that is a rare possession. All the ablest general managers have it.

A gold-seeker, for instance, must always be on the watch for nuggets, as he washes his dirt. At any time, he may step on a solid nugget of pure gold, which may give him more money than he would earn in a month by shaking his sieve.

Most men — is it not true? — build up a life of petty details, as a bricklayer builds a house with 30,000 bricks.

This would be correct if they would only put windows in; but they build their lives like houses without windows.

They create lives of routine — eating, sleeping, smoking, working in a routine way and reading the news of the day.

Such lives often bring Happiness, but they never bring Success. They bring a lower grade of Happiness, a cheap brass Happiness which is often mistaken for gold.

This sort of life is the ideal of Civil Service and Socialism. There is no risk in it — no danger — no excitement. It is all routine and automatism.

Such a life reminds us of those paintings by Dutch artists, which show some commonplace scene, all done with meticulous care.

Usually it is a painting of a kitchen, with

every rug and kettle and dish accurately painted. There is nothing in the picture worth looking at, but it is correctly done.

Compare such paintings with one of the masterpieces of Rembrandt — where there is a flash of vivid light on a man's face, and all else in the picture lies in darkness. There is a face that has been sculptured by a great life — a face that you can never forget.

Is it not true that the whole life of the average man is dominated by trifles? Does it not start in the morning with a fuss about his breakfast, and end at night with a fuss about his slippers or his pipe?

The problems of the day, to an average man, are something like this — " Where is my umbrella? " " Who spilled this ink? " " Did you see my collar-button? "

Some men roar and some men bleat. Some rage and some whine. But all the roaring and bleating and raging and whining are about little things that don't matter.

Most men waste anger on objects that are not worth it. Then, when there comes a real and urgent need for anger, they have none left.

Many men go so far as to regard trifles as

important. They must wear spats or carry a cane. Some devote their whole lives to the persistent destruction of cigarettes, and all else must take second place.

Many bookish people regard the splitting of an infinitive as of more importance than giving up Gibraltar. They would break up the British Empire; but they would not say — "to hurriedly go." What silliness!

Many people regard Culture as a sort of technique in little things. They are the Pharisees and Sadducees of Culture. They neglect the weightier matters of success and justice and human nature and happiness.

It is the very essence of wisdom to put the emphasis in the right place. That is the secret of all genuine Culture — that it shows you the great things towering above the little ones.

The Russian peasant regards all things, big and little, with indifference. To him, nothing matters.

This is the Oriental point of view — all things are alike unimportant. We are all Nothings, on our way back to Nothingness; and Life is a brief disease for which Death is the only cure.

Up to a point, we must be stoical — yes.

But only up to a point. Stoicism, like patience, is a virtue if you don't carry it too far.

There are times when a man must act like a log. Also, there are times when he must act like a lion.

We must always be on the watch for big opportunities. We must know when to use all our reserves.

Great chances come to every one. They do. But most men keep on with the routine or with some trifling matter and never see the great chances.

When, at last, your chance comes, the main thing is to be ready. Too many men realize that when it is too late — when they are members of the "I-Wish-I-Had Club," to which most of us belong at 50.

King Henry VII had his great chance when Columbus paid him a visit. He had a chance that would have changed the history of the world. But he was in a hurry to go hunting and he had no time for Columbus. Consequently, America was discovered by Spain.

Such great chances happen to all of us — Kings and common people alike. But when the knock comes at the door, we think it is only some one else coming to bother us.

That is why it is one of the first duties, for every man who plans his life, to make up his mind as to what is important and what is not.

We must not be overwhelmed nor beaten down by the rush of events. We must deal with them as they come.

Life is partly self-control and partly self-expression. He that has both — each at the right time — will be a happy and successful man.

Chapter VII

BUILD SOMETHING

BUSINESS IS DOMINATED BY THE MEN WHO CREATE AND MEN WHO SERVE

IF you wish to have a successful and a happy life, you must build something — a business or a profession or a home. You absolutely must be Creative.

It is a law of this universe that you must treat everything according to its nature, if you wish to avoid mistakes. And it is in the nature of every human being to want to create something. It is our nature to build.

The great basic virtue — the underlying rock — is self-respect. All else that is worth while depends on this. And self-respect is best developed by doing something that is definite and tangible — something that everybody can see.

Every man is a sort of coral insect, at heart. He has an inward urge to build a reef.

Nothing will give him so much satisfaction as to look at the work of his head and hands.

Is it not true that there is nothing else which gives so much lasting pleasure as the building of something which grows larger day by day?

We build it and watch it grow.

Is not that the reason why so many of us take a pleasure in collecting things — stamps, coins, beetles, cigarette cards, etc.?

Our nature requires us to build and accumulate and collect things; and the man who does not do so is as unhappy as a bee would be, that tried to live as a grass-hopper.

He who makes " two blades of grass grow where one grew before " is to that extent a happy and successful man. And he who destroys a blade of grass, and creates nothing in its place, is to that extent an unsuccessful and unhappy man.

To have a purpose that is worth while, and that is steadily being accomplished, that is one of the secrets of a life that is worth the living.

To make something! Even a little child of four piles up his blocks into a structure and then says — " Oh, Mummie, come and see what I have made! "

That is why poets write verses of praise

about the blacksmith, because he is always making something out of red-hot iron, and because he has the pleasure of seeing the results of every blow.

One of the most durable pleasures that I have ever had was when I once spent an entire Summer building a two-story wooden house. I built it without any help, except that I had a laborer for one day, when I was putting the frame up. It was, very likely, not much of a house, as houses go; but I was as proud of it as if it had been a cathedral.

To build gives a sense of progress and a sense of power. It enables a man to justify his being born into a world where so much has already been done for him. When he builds, he pays the unborn what he owes to the dead.

This explains why men go, as pioneers, into a vast wilderness. It explains why they face incredible hardships — why they fight savages and wild animals. They feel the joy of conquerors, as they drive the wilderness back and put civilization in its place.

It explains the strong natures of the men who work in the shipyard. There are no tougher, hard-fibred men than these. Why? Because they are builders of great ships.

The men who built Cologne Cathedral — did they not build themselves as well as their cathedral?

There are those who create structures of thought, as well as structures of wood and steel and stone. Barrie has built "Peter Pan."

Beethoven was a builder. So was Rodin. So was Turner. They built in music and form and color. They helped to build the dazzling pinnacle that we call Art.

The oldest company in Canada — The Hudson's Bay Company — is it not named after one man, Hudson? When Hudson went farther than any man into the wilderness of Canada, was he not starting a structure of commerce that would stand for centuries?

Talk about Trade and Commerce being merely a matter of money-making! What can possibly be more absurd! The money-making is incidental. Wealth, nearly always, is a by-product made by the creators of civilization.

If that one undeniable fact were understood, it would be the answer forever to Socialism and Communism and all the other cults of spoliation that are created by the lazy and the unfit.

The companies that last, from one genera-

tion to another, are those that either create new values or render a necessary service to the public.

Politics may be dominated by the talkers and the strategists, but business is not. It is dominated by the men who CREATE and SERVE.

To be a Builder — a Creator! There is nothing higher. The world was not made in six days — not a bit of it. It is still unfinished; and the religion of every true man is to co-operate with the creative energies of the world to improve and develop the human race.

BUILD SOMETHING. That is a law of our nature, and of the great infinite Nature from which we come.

When your life is finished, it will be measured by its Output and its Quality — make no mistake about that.

To build a happy home — that is a great deal. That is the unit. That is the least that any man can do.

To help to build a town — that is a larger job, that very few are strong enough to do.

To help to build a trade — that is harder. To create a new nation out of wilderness, as Rhodes did in Rhodesia, is hardest of all.

Chapter VIII

BACK YOURSELF TO WIN

HAVE FAITH IN YOUR FUTURE AND IN THE PEOPLE YOU WORK WITH

THIS tip points out the right attitude to take towards troubles and losses, which make up about one-half of your life.

You will find that your life is an island, entirely surrounded by risks, losses, troubles, hardships and misadventures of all sorts.

You must never expect perfection, not even in the best things in life. Nothing is ever 100 per cent. You must always allow from 10 to 60 per cent. off for mishaps.

Most men go to pieces when they have had a few beatings. They wilt. They fade away. They crawl into a safe little corner and hide, while the great rough tide of glorious life rushes past them.

Many a man spends all the priceless years of his later life mourning over a chance blow that Fate dealt him, as though he alone, of

all men, had been promised a life without a scar.

The fact is that defeat is the normal thing in this haphazard little world, and victory comes but seldom. Every victory, usually, is the result of a long series of defeats.

I can well remember how Andrew Carnegie, when he was building up his great steel company, was called a fool by all the iron and steel men in the United States. He would work his mills night and day in a boom, and then spend millions to improve them during a slump. When prospects were blackest, he would cheerfully buy up the mills of his competitors. He had " guts," and no one else had in the American steel trade.

That was the secret of his success.

The truth is that every business man should be on his guard against a spirit of pessimism. It is better to be hopeful, even through the facts and figures are against you. Certainly, you are never likely to do more than you think you can.

Many a man seems to have been born under a black cloud and doomed to pessimism from his birth. But temperaments can be changed to a greater extent than we believe. It is pos-

sible to develop the mental muscles of the will and to change doubt into confidence.

There are some real troubles and losses, not many, for which there is no cure but time. But most troubles are not worth an hour of your life. You should pay no more attention to them than you do to the weather.

Always look ahead with hopefulness — that is the point. Think less of what you have lost and more of what you have left. And never regret the past.

There is an artist in the brain, called Imagination, and he paints pictures that have a strong effect on our Success and Happiness.

If he paints pictures of failure and disaster, you had better get rid of him and close up his studio. He is an enemy.

But if he paints pictures of victory and improvement, then he is one of your best friends. He will show you the big things that may be done. He will paint in every man — a feeling that a better day is coming. It is not a delusion. It inspires us with dreams, and these dreams come true. It is one of the most practical things in our whole mental equipment — this instinct of hope.

If a man says: "But I do not want Hope. I want to be sure"; then there is no answer for him. It is either Hope or nothing.

It is as impossible to have life without risk as it is to have a sea that is not wet.

No one can be sure. Isn't it true that many a time we are obliged to start what we do not know how to finish? We bite off more than we can chew and chew it.

Progress is nearly always moving ahead in the darkness. Step by step we chase the darkness back. There is no light ever invented by man that will shine even one minute ahead into the darkness of the Future.

When in doubt, attack. Often, I have seen men win by sheer pluck alone, against tremendous odds. Sitting down and playing see-saw with Pro and Con never solved anything.

When Columbus set out on that most wonderful of all sea journeys, all he knew was to sail West. He had no chart — no knowledge of his path — nothing except faith that the world was round. He solved his problem by action and keeping on. And there is no other way.

A man must have faith in himself and in what he is trying to do. He must say: "I can." He must back himself to win. He must

bet on himself. He must put up his money and play the game hard.

He must have faith in the people he works with. He must believe in his team. He must see the better side of his co-workers and not think that his own point of view is the only right one.

He must have faith in his trade. He must believe that his trade is a useful one and well worth all his efforts. He must believe that it will rise again after every depression and that it will be a greater business in the future than it has been in the past.

He must have faith in his town. He must join his Chamber of Commerce and give a certain portion of his time to the duty of being a good citizen.

He must have faith in those great Principles that make us superior to the animals of the forest — in TRUTH, HONESTY, SYMPATHY, JUSTICE, PROGRESS. He must not let the faults and blemishes of individuals make him doubt the great everlasting Righteousness that has brought the human race up from the depths to the heights; and which, we have every reason to believe, shall make us mightier yet.

Chapter IX

PUT YOURSELF ABOVE WORLDLY GOODS

EVERYTHING WORTH WHILE IS PERSONAL

WHATEVER happens, you have to live with yourself. And no other thing matters so much to your success and happiness as the basic fact — what you are.

Whether you are a great person or only a very small person — no matter. You are important to yourself; and you can never build up any sort of worth-while life unless you begin with yourself.

This seems simple and self-evident enough, but how rare it is to see a man who is really the Master of his own affairs!

Isn't it true that most men are tied up in bundles and handled by the gross or the thousand? Are they not classified, tagged and moved about as though they were not alive?

Are not most working people herded into trade unions and most employers into associations?

Have we not carried this fetish of co-operation too far?

Slavery can exist by mutual agreement. We didn't know that a century ago; but the history of the last 100 years proves it to be so.

A herd can enslave itself, by a fear of progress and originality. A nation can degrade itself into a rabble, by destroying its great individuals.

Is not that why the Dark Ages were dark — because all the big shining lights were put out, and nothing left but a mass of tiny, orthodox tallow dips?

Have we not forgotten that the right above all rights is the right to self-development?

Here you have the reason why Socialism is so destructive — it makes everything of the herd and nothing of the individual.

The tragedy of Russia is not the ruin of her trade and commerce. It is the ruin of self-respect and independence.

WEALTH BEGINS WITH YOURSELF. If it does not, then your wealth only makes you conspicuous and absurd.

No man is more to be pitied than the man who suddenly inherits great power or great wealth, unless he has developed himself so as to be fit for his new responsibilities.

A little man in a little place may win respect, but a little man in a big place — does he not become comic at once?

After all, is not the purpose of wealth and power to set us free to live our own lives? Is it not to " give us the glorious privilege of being independent? "

We must always put first things first, or we shall make a mess of our lives. We must begin with SELF-RESPECT.

If a man has no self-respect, then his success will be a misfortune and his happiness will be a mirage.

Next, he must have self-control and he must deliberately pursue self-development.

A man's first privilege is to grow. Incidentally, this growth makes him rich and powerful. That is the correct view of success.

We are talking a great deal about service, but service comes afterwards. We say, thoughtlessly: " Service, not Self "; but we are wrong. How can you serve, unless you first develop your own nature and abilities?

Most of us are under-developed — stunted — mere fractions of what we might be.

A distingushed scientist — Dr. Spitzka — once told me that most men were not developed more than 50 per cent. in body and 10 per cent. in brain. They might have been twice as strong in body, he said, and 10 times as strong in mind.

So, when a man is only a tenth of a man, he had better say: "Self, not Service," until he grows larger.

First, always, comes the Man; and second, the Job or the Service.

Out of nothing, nothing comes. A stream cannot rise higher than its source. Nothing comes out of a rat-hole but a rat.

There has always been too much self-effacement.

For my part, I prefer Ambition; and I believe that Ambition has done more to create civilization than self-effacement and humility.

Everything worth while is PERSONAL — always was and always shall be.

Go into any well-managed shop and ask: "What is the greatest thing in this shop?" and the answer is: "The Manager himself."

Once in a while, don't follow the crowd.

Go the other way. Let the crowd jeer you and pelt you, as a crowd always does.

Own yourself, as Marcus Aurelius did — as Darwin did — as every worth-while man has always done. Even though you may never be rich — even though you may never be known outside of your own little circle — you can still have Character. You can still have Independence. You can still say: "I am the Captain of my soul."

Chapter X

THINK MORE OF PEOPLE AND LESS OF THINGS

FRIENDSHIP MAKES SUCCESS EASIER AND HAPPINESS CERTAIN

NEXT to self-respect comes the respect of others. No man can live his life alone. Is it not true that Success is very largely what other people do to you, rather than what you do for yourself?

A disliked man does not go very far. He generally leaves the neighborhood. Now and then, a genius, like Galileo or Whistler, may walk on a lonely path from choice, or from the compulsion of the creative spirit within him; but few of us need to follow such examples.

We must appreciate the tremendous power of Friendship — that is the meaning of this tenth Tip.

You must ask yourself the merciless question — "Have I ten good friends?" If the

answer is " No," then it is not likely that you will go far on the road to Happiness, although you may do so on the road to Success.

Friendship makes Success easier and Happiness certain.

It is not taught in any college nor in any course of study. It is not taken into account by our chambers of commerce; but it is a much greater power in the world of affairs than either ability or gold.

True — friendship does not necessarily mean refinement nor intelligence; but it has a very great meaning of its own. It is not far from the truth to say that the best test of a man's Success and Happiness is the size of his funeral.

Friendship is as old as the human race and older. There were friendships in the jungle, millions of years before the first ape-man came to the front.

Friendship cannot be expressed in figures. It defies statisticians. It is not in balance sheets. But it is as great and universal a power as anything that figures can express.

The danger that confronts every competent young man is that he will despise those who are less competent.

The danger that confronts every man who is strong is that he will act roughly with the weak.

Most young men, in order to appear wise, become cynical. They produce a vast output of contempt.

This is a natural phase in mental development, at the age of fourteen; but with most men it becomes a habit of mind. Their brains remain fourteen for the rest of their lives.

The cynic takes pleasure in the follies and mistakes of other people. He does not try to prevent the follies nor to correct the mistakes.

He is pleased when a strong man falls down, not a weak man becomes strong.

He feeds on gossip and scandal and the muck of the daily press; and no matter how beastly an event may be, he sneers and says "I told you so."

If ever a man were devil-hearted and below the human level it is the cynic — the man whom you will find anywhere in our art and drama and literature and journalism. He is seldom at the top in any of these professions; but he is in charge of the lower departments.

Next to cynics come snobs. These are less

dangerous, because they are less clever. But they put things above people. They degrade human nature by making it inferior to the badges of rank or wealth, which may be entirely accidental.

Then there are the hermits, who dislike their fellow-men just as dogs dislike cats. These are so few that they are not worth noticing.

Also, there are men-hating women, and women-hating men. There are men and women who don't like children. But these are abnormal. Most of them need a surgical operation on the brain.

There are even some classes of people, criminals and money-lenders, for instance, who prey on their fellow-men. They are not really humans. They are wild beasts. They are tigers and wolves in human form.

Such men set traps to catch other men. They steal. They kill. Their only idea of Success and Happiness is to destroy the Success and Happiness of others.

Lastly, there are militarists, who are worst of all. They are the chief devils of the world. They create wars, which are the most terrible of all evils.

These men do not destroy individuals, as murderers do. They destroy nations. They destroy civilization itself.

As against this black background, I place a friendly, helpful, cheery, open-minded man, who is interested first in his own welfare, and second in the welfare of others. Such a man, no matter whether he is rich or poor, learned or unlearned, is the salt of the earth.

If you do not appreciate people — just people, what is the use of anything? Human nature, with all its defects, is the masterpiece of Nature. It is the best, highest, noblest thing we know.

If a man dislikes his neighbors — his fellow-workers — his townsmen, how can he sincerely see good in anything?

Trust people. Believe in people. Make a hobby of people. You'll be cheated — yes — many times. But in the long run you'll win all the cynics and pessimists lose.

People are more interesting than anything else. Politicians know this. So do dramatists and journalists. But business men do not. They are almost always more interested in things than in people; and that is one reason why so many of them fail.

The new definition of business is PERSONAL SERVICE. If you are pleased to do pleasant things for people, then you are a business man of the new sort.

It is not enough to have a few cronies, and to be shy and hostile with everyone else. If you are shy, you must overcome it. If you shrink from strangers, you're lost.

You must like people — not their titles nor their brains nor their wealth nor the fact that they are similar to you. You must like people as a gardener likes flowers.

Already, in my brief half century of life, I have met all manner of men, from ditch-diggers to Kings, but the greatest have been those men who loved people for human nature's sake — men like the loved old Doctor in "The Bonnie Brier Bush" — men like Andrew Carnegie, Alfred Russell Wallace, Joseph Fels, Edward Everett Hale, Edwin Markham, Cardinal Gibbons and Sir Wilfrid Laurier.

Such men are above all. They are the peaks of the human race. They are above wealth and rank and power. They are the finest definitions of what we mean when we speak of either Success or Happiness.

Chapter XI

DEVELOP YOUR CAPACITY TO LOVE

THE SUPREME H. P. IS NOT HORSE POWER; IT IS HEART POWER

WE shall now carry the last tip, number ten, further still. We shall carry it from Friendship to Love, and then we shall have only one step further to go to reach the top.

Many of us assume that love is a small personal matter of which we have complete control. It is a silly pretence. It is, in fact, a big humbug, for the reason that we are about as superior to love as birds are to the air or fishes to the sea.

Were we not all born in love, even the hardest and rockiest of us? Were we not reared in love? Was not every one of us the love-babe of the home?

Look at the daily press. Is it not a moving picture show mainly about love and its power over us?

Look at the courts. Are they not busy half their time with crimes and disagreements, all based on love and jealousy and passion and other sentiments?

But, you say, what has this to do with business? What has it to do with Success?

Much. You will be amazed when the light breaks in on your mind and you realize for the first time that you are living and doing business in a world of love.

Now that business has been systematized and equipped with machinery, too many business men have become like mechanical toys. They have dropped to the level of things. This is a serious mistake, from a money-getting point of view, as a THING can never make as much money as a MAN can.

The business world is populous with automata — people who worked as mechanically as clockwork toys. But such people remain all their lives in the rank and file.

Wooden soldiers don't become Generals. Eunuchs don't become national heroes. What nearly every man needs is more life and love, not less.

It is a mistake, from any point of view, to

grow hard — to aim for a Nirvana of unfeelingness.

Too many people are led to believe that ambition compels us to be ruthless — to be indifferent to the feelings of others.

Too many people have a wrong idea of Success, which they get from history and the daily press.

They forget that history and the daily press deal only with the CONSPICUOUS, not with the successful and the happy.

To be merely conspicuous or famous — that is another thing altogether. I am not writing a signpost on the road to Fame — nothing so tricky as that. I am telling how any worthwhile man may have what is to him a successful and happy life.

My definition of a successful and happy man is — one who is glad that he is alive — who is making progress along the lines of his own wishes — who is ripening into a wiser, finer and kindlier man.

This definition, you see, simply has nothing to do with Fame. It applies equally well to my gardener and the Prince of Wales.

You must appreciate the full value and significance of sex. Human nature is one sub-

stance split into two parts which we call sexes; and one sex has no meaning and no value without the other.

The two basic laws of life are Self-Preservation and Reproduction; and you cannot base your life on one of these laws alone.

Unless you understand this, how can you possibly understand salesmanship or advertising or the goodwill of the public?

Have we not found in our business literature that the most effective of all illustrations is a mother holding her child?

To be successful and happy, you must develop along the lines of your own nature. You must try to be 100 per cent. human.

That is why you must marry and have children. If you don't, you're not really a man at all — nothing but a dead end. You are not a strand in the great rope of Humanity — nothing but a fibre of waste on the floor of the mill.

We jest about the restrictions and irritations of marriage. We say that the difference between a married man and an old batchelor is that a married man lives like a dog and dies like a gentleman, while an old bachelor lives like a gentleman and dies like a dog.

But the truth is that marriage is like life. It is a gift to be accepted and made the most of. To be a celibate is very little better than to be a suicide.

First of all, a man must be a good son. Then he must be a good husband and a good father. He must be true to these precious obligations that are common to us all.

He must have the help of his children, to pull him out of his self-absorption and to polish off his hard edges.

Most of us quarrel, more or less, with the members of our own family and with our relatives. The closeness of family life creates friction, unless there is always the lubricant of humor and affection. Many a firm has been ruined by family quarrels. This fact should teach us all to be better natured and more patient in our own homes.

The unit of civilization is a happy home. Back of every business are the homes of the directors — the managers — the employees. And the quality of the homes will pretty well determine the quality of the business.

The man who lives in a home which has all the love burnt out of it — who comes back every night to sit in the ashes — can never be

either happy or successful. He may be rich, but his money is a mockery if he has no home.

So, we must develop our capacity to love, so that we shall be complete men and not fractions, and for many other reasons.

The supreme h.p. is not horse power. It is heart power. It is the greatest of all prime movers. And I am writing these words as one business man may write to another, and not as a poet, a saint, nor an idealist.

There will yet come a day when both science and religion shall be wiser; and when men shall see that Love is the Creator — Love is the First Cause — Love is the Law of Life in this universe; and that the most practical thing that any man can do is to develop his capacity to love.

Chapter XII

DEVELOP YOUR MENTAL AND SPIRITUAL FORCE

NEVER FORGET THAT YOU ARE AN INVISIBLE SPIRIT, NOT A BODY OF FLESH AND BLOOD

THIS Tip brings us to the top. I, at least, cannot go farther. Other teachers will come who will go higher; but this article, I must confess, is too high for me. I have had to stand on tip-toe to write it. And it will doubtless be too high for many readers.

Success and Happiness come from within. Both do. They are mental and spiritual.

To put all in a single sentence, I would say that you develop yourself as a mental and spiritual force, and Success and Happiness are the by-products of this force.

You must get rid of the delusion that you are a Thing living in a world of Things, piling up a fortune of Things and enjoying yourself by the use of Things.

This is simply not true. It is a childish notion that few of us ever entirely overcome.

A child thinks that the earth is flat and motionless. It thinks that over its head is Up. But the child learns later that the world is round and whirling through a Universe in which there is no down and no up. He learns that " up " is a mere earth-word, which means outward from the centre of the earth.

All the child's notions of the earth are wrong. The farther we go in science the more we find this to be true.

In the pre-scientific days, we talked of matter and spirit; but now we find that matter is force — that every tiny unit of matter is dynamic.

We are Spirits in a Spiritual Universe. That is the great new truth that Science, not Religion, has discovered; and which is now barely beginning to be understood by us who deal with matters of trade and commerce.

It is a delusion that a customer is a visible material person, just as it is a delusion that the world is flat and motionless. We cannot believe what we see, in this fairyland of a Universe. We can only learn the truth by Thinking, not seeing.

All business is mental, which is only another word for spiritual. Salesmanship is mental. Invention is mental. Staff training is mental.

Everything in any factory was an idea first. Every lathe is an idea worked out in steel. A mill is a building packed full of Thoughts. Is not machinery thought-arms-and-hands? Is not the telephone a thought-voice? Is not the telescope a thought-eye? Is not the railway thought-legs?

There is nothing so practical, so scientific, as this spiritual conception of things. It enables us to deal with realities and not with outward signs and symbols.

Once you have this correct view, you can see why bureaucracy is always and everywhere a failure. It puts system first. It puts system ahead of efficiency — ahead of living persons — ahead of profits — ahead of Success and Happiness.

Bureaucracy turns living people into Robots — into mechanical toys for politicians to play with.

Goodwill! Is it not above credit — above capital — above output — above net profits? And is not goodwill wholly an intangible spiritual force?

The marvels of the rays of radium, or the vibrations of wireless telephony, are not nearly so wonderful as the outflow of goodwill, in thoughts and feelings, towards a man or a company.

We are all spirits with bodies on. Life is a masked ball, at which we join in the dance without seeing one another's faces. And the main thing is the person, not the mask.

We are all tiny parts of one great Mind — invisible and eternal. We are parts of the Creator — that is the practical Pantheism which is the religion of all intelligent men.

The world was not made in six days. It is not made yet. It is only in process. In this astounding Universe it appears that nothing is ever finished. Everything goes on and on; and we — you and I — are having a share in the process of Creation.

A man's first duty, then, is to be a worthy, willing part of the creative process. He must think first of his own inner life. He must build his own soul, with the knowledge that the more perfectly he can represent the Spirit of the Universe, the vaster will be the scope of his Success and the higher will be the quality of his Happiness.

As you can see, this view of life makes you unconquerable.

You are no longer trying to live with a little feeble force of your own. You are wire that is all athrob with the voltage of a creative energy that is making all things new.

You are no longer a Thing in a world of Things. You are a Creator.

You are a spark of the central Fire. Nothing can harm you but yourself. You can't be beaten unless you surrender. You can have all the Success and Happiness — every last bit of it, that you deserve.

PART TWO

Chapter I

THE SECRET OF PERSONAL EFFICIENCY

TO BE and to HAVE — that is my definition of Personal Efficiency. There must be both the development of yourself and the increase of your possessions. There must be both Personality and Ownership.

You must be neither a Gradgrind nor a mystic. You must be worth while yourself, apart from what you own; and you must have enough money, too.

Let poets say what they will, it is a misery to be poor.

The first of all duties, for every young man, is to have $5,000 in the bank. Not because it is money, but because it is freedom — independence — opportunity — self-respect.

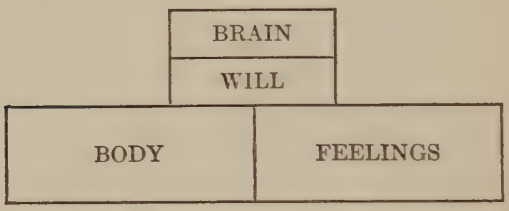
How to make money pleasantly — that is what every normal, right-hearted man wants to know — how to possess wealth and yet retain possession of yourself.

So, the first question is — what do you mean by YOURSELF? What is personality? What are our individual assets, considered as human beings?

The answer is — every person consists of four elements — Body, Brain, Feelings and Will. No one has less than four. No one has more.

If these four elements are in right order, you will have a harmonious, efficient personality. If not, you will have a morbid, erratic or unbalanced personality.

The right order is as follows:



If you put Will at the top, you have a Kaiser. If you put Body at the top, you have a brute. If you put Feelings at the top you have a fool.

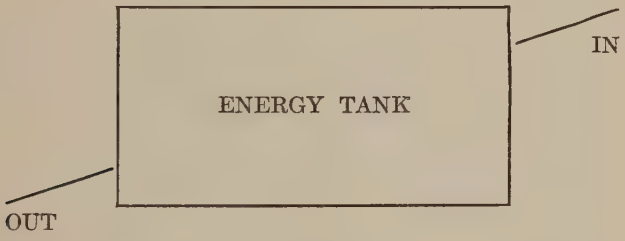
Brain at the top — that is the mark of Sanity as well as Success. That is the main distinction between Man and the lower animals.

All four elements must be developed to produce either Success or Happiness. All four are as indispensable as the components of an engine.

To begin with, a man must have a strong Body. He must be free from aches, pains, fatigues and illnesses.

The first duty of Life is to keep alive, as Death is the bankruptcy of all earthly interests.

The secret of Health is, as I teach it, the daily restoration of Energy. The body is an ENERGY TANK, like this: —



Health means the steady flow of Energy in and out. Ill health means that the tank is not kept full.

To keep well is take Energy in, by means of food, fresh air, recreation and sleep.

Eat properly, breathe properly, sleep properly and play enough — these are the means of keeping the Energy Tank full.

Eat slowly. Chew the food well. Rest for half an hour after a heavy meal. Do this and you can eat almost anything you please.

Liquor, to a young man, is a dangerous poison.

As for breathing fresh air, it is far more important than eating. You can live for 40 days without eating, but you can't live 10 minutes without breathing.

Air is fuel. It burns up the impurities of the blood in the furnaces which we call the lungs.

But air that has been already breathed is a very poor fuel. It is half slag and clinkers, as you might say, and it clogs up the furnaces.

In every room or office or works, the air should be kept fresh, and we should take several long deep breaths every hour.

As for sleep, the main thing is to relax the body and mind before going to bed. Never work or worry for at least an hour before bedtime.

Don't try to go to sleep with a clenched fist

and a clenched mind. Let go. Throw the day behind you an hour before you undress.

The best sleeper in the world is a drunken man, because his mind and body are entirely relaxed. Drunken men, children and philosophers, all know how to have a 100 per cent. sleep, but business men seldom do. They don't relax.

The man who leads an active life, eats his food slowly, rests after meals, takes deep breaths, relaxes after 6 o'clock, sleeps 8 hours at night and is glad he is alive, will be very likely to escape the dangerous attentions of the doctors. He will keep his Energy Tank full.

In the matter of Feelings, the important fact to remember is that they are positive and negative. They are creative or destructive. A man may either stand or fall by his Feelings.

We must control our Feelings, not destroy them. They are like fire — a good servant but a bad master.

A man without Feelings is as crude an object as a bird without feathers. He is deficient and unsightly.

Right Feelings are necessary to Success as well as to Happiness, and they must always be

under control of the Will and the Brain. That is the law of sense and sanity.

As to the Will, the main point to bear in mind is that it must always be under the Brain. There can be too much Will, as well as too little.

If the Will is on top, then a man is unteachable, obstinate and unintelligent. He may become rich and powerful, but he creates too many enemies, as he shoves other people about. Usually, his career ends in failure, in the long run.

Coming now to the Brain, the vital fact is that it consists of the part that THINKS and the part that REMEMBERS — the active and the passive — the workshop and the warehouse.

Mind and memory are often confused, as though the one were as important as the other.

A good Memory is not at all necessary to success. It is a great convenience, but it is not indispensable.

Moreover, in a well organized business, things are not done by Memory. They are done by Mind and they are stored up in written records.

In general, the less you depend upon your

Memory, the better. It is merely the warehouse of the Brain, and it is a very large and badly lit warehouse, where most things are usually lost.

To THINK — that is the main thing. To develop the ACTIVE part of the Brain — that is the secret that we are looking for.

Rather, the problem is — HOW TO KEEP ON THINKING AFTER WE HAVE GROWN UP. Practically all of us do a great deal of thinking when we are children, but we stop thinking as we grow older.

Genuine thinking is an active, creative process. It can best be described in three words — NOTICE; COMPARE; INVENT.

The ideal Thinker is not such a man as Carlyle, for instance, nor Ruskin, nor even Herbert Spencer. Such men deal with mere words, rather than with the facts of life.

Because a man can write gracefully, or speak fluently, it does not follow that he is a Thinker. Quite frequently, the authors and orators of a nation are not Thinkers at all — nothing but word-mongers who earn their living by defending, in pleasing language, the popular notions of their day.

They are no more creative than a gramo-

phone is. They write what they are told to write and say what they are told to say. They are mere pens and tongues. They have the power of expression but no power of creative thought.

The great mass of our so-called literary people are only experts in the technique of language. They are, for the most part, far inferior as thinkers to the Works Managers, Foremen, Salesmen and Merchants of the nation.

The mere writing of books and delivery of speeches does not necessarily call for any power of original thought. One has only to look in the Public Library or to listen to the oratory of a political Convention, to find that out.

Talk, whether written or spoken, is as non-intelligent and non-productive as dancing or music, for the most part. A man may be the most popular author or orator, and be a fool in all worth-while matters.

A Thinker is a creator. He takes in the raw materials of sight, hearing, touch, taste and smell, and builds them into new mental and material designs.

Thinking is manufacturing and a normal

Brain is a Works. This fact is not recognized by those who set our standards of culture and character, but it is scientifically and inexorably true.

Whenever I wish to test the thinking power of a young man, I usually give him the following three tests: —

1. Spend an afternoon in the streets of a busy city and make a note of 50 things that you have never seen before. This tests his power of observation. If he fails in this, he is quite hopeless as a thinker, and must be given one of the easy automatic jobs in a business firm. He can never be a competent executive.

2. Spend an afternoon on a fashionable shopping street and pick out the shop window which is most suitably dressed. This is more difficult, partly because it compels the brain to notice and compare; and partly because it requires a knowledge of the nature of the district and its customers.

3. Spend one afternoon in each of two stores, and make a Report comparing the two shops. This is a test that can be performed only by a very active brain. It demands the highest degree of observation and com-

parison. Whoever can pass such a test is well worthy of a Diploma as a thinker.

The startling fact is, with regard to these tests of thinking, that a bright boy of 12 will do better than the average man.

It is a fact of the most tremendous importance that a boy's brain is more active than a man's. The boy notices — compares — invents, while the man has become an automaton, very largely.

The boy uses his cerebrum, while the man has slipped into a rut and is mainly using his medulla oblongata.

CHILDREN ARE THINKERS, WHILE GROWN UP PEOPLE ARE AUTOMATA — this is the central fact to which I wish to call your attention.

The secret of personal efficiency is MENTAL. It means the right sort of a brain. It does not depend at all upon a college education. It does not even depend upon book learning. It depends upon the development of a THINKING BRAIN.

KEEP THE BRAIN YOUNG — that is the secret.

Is it not true that practically all great men, who are self-made, are BIG BOYS? Is it not true that the Leaders, in all countries, are the

men who have active, creative, CHILDLIKE MINDS?

Take Andrew Carnegie, for instance. No man ever started lower or climbed higher than he did; and from first to last he remained a Big Boy.

On one occasion, while I was gathering data in his library, he was so absorbed in a pile of papers that he squatted, boy-fashion, on the floor, and arranged his papers around him. His butler came in and, as might be expected of a butler, was deeply shocked and horrified.

All butlers, as you may have noticed, are dignified automata. Their brains are not young. Rather, they are petrified. They are drilled into a most dependable dullness. If you want to know what a brain ought NOT to be, think of a butler. It is the very essence of his unfortunate profession that he shall NOT notice, nor compare, nor invent.

Take Leverhulme, who was Britain's most successful business man. Is he not unthinkable as a butler? Was he not a Big Boy, bursting with life and all agog with new schemes of commercial adventure?

Take Selfridge and Wanamaker, have they

not always made their shops into great playgrounds, full of surprises and entertainment?

Take Alfred Russell Wallace — the most eminent of all Victorian scientists, was he not a Boy right to the end? I once spent four days with him, in his home in Dorset, when he was 77 years old; and he was as full of fun and as fond of new ideas as a lad of twelve. No dignity. No decorum. No pose of omniscience. He had all the keen curiosity of a child.

Take Barrie — the creator of Peter Pan. Is he not a Peter Pan himself? And is he not trying to teach us, in his gentle, elusive way, that the secret of wisdom is to keep young?

The peculiar virtues of boyhood are teachability, curiosity, energy, independence and the joy of life. And these are the identical virtues that make a man succeed, in any line of business.

The truth is that for centuries we have had an educational system that is upside down. We have been trying to make boys into men, instead of trying to make men into boys. This is the basic cause of all manner of failures and absurdities.

The time has come for us to appreciate boys

and to put an end to the boy-destroying process that is calling itself Education.

One of the most hopeful influences in the world is that unique organization — the "BOY SCOUTS." It deals with boys as boys, not as automata. It is laying the basis of a scientific system of Education, which will not take live boys and turn them into dead men, as most of our Schools do at present.

"Why are children so bright and why are grown people so dull?" asked a Head Master recently. The answer, he admitted, was — Education.

Too many Schools and Colleges are like foundries, where the molten youth of boys and girls is poured into moulds of automatism and decorum.

In China, the parents bind the FEET of their children; but we bind the BRAINS — which is worse?

A large part of so-called Education is sheer brain-binding, of this there can be no doubt.

It consists mainly of repression and a steady discouragement of the spirit of adventure and originality. The motto of most Schools, and especially of the Public Schools, is — "It isn't done."

The aim of most teachers seems to be to put old heads on young shoulders — a task of Sisyphus in which, thank Heaven, they do not always succeed.

The best that can be said for our system of Education is that it fails in its endeavours. The teachers propose, but the children dispose. If you drive Nature out of the door, it will come in the window; and the fact is, happily, that moulten youth is not so easily poured into moulds.

The children, in self defence, have built up a life of their own at school. This, to them, is the real life and they are quite right. The most valuable part of a boy's education, in most cases, is what he learned from the other boys, not what he learned from the teachers.

In short, we need new ideals in the matter of Education. A College should give a young man an edge, rather than a polish. It should fit him for the shop and the factory and the mill, rather than for the drawing room.

Manners can best be taught at home. Certainly a young man does not need to go to a College to learn not to wipe his nose on his coat-sleeve nor to eat his soup with a sponge.

The four basic things in Education are

OBSERVATION; THOUGHT; WORK and SELF-CONTROL. And in my opinion, a Foreman who is developed along these four lines is a better educated man than a Professor of Greek who is not.

Either a man must be competent, or he is being carried through life on somebody's back. If he is not taught to think — to work — to do his share, of what matter is it what else he has learned?

A man is either a thinker or a thing — he may take his choice. He is either one of the Efficient Few who create and operate civilization, or he is one of the Automatic Many, who believe instead of think, and follow at all times the line of least resistance.

In all educational matters, we have made too much of appearance. We have been satisfied to put silk hats on cotton heads.

Too many frozen brains — there you have the reason why so many Boards of Directors are slowly putting an end to the energy of the firms they control.

There is a vast difference between ice and steam. Ice has no power at all, beyond the pressure of its own weight; but a small piece of ice, no larger than my fist, will have the

strength of a sixth of a horse-power, if I turn it into steam.

So, to keep steam up, the best way is to keep the fires of youth burning. Keep the furnace of the brain well cleaned from the ashes of old age, and keep a steady draught of new ideas and new interests. KEEP THE BRAIN ALIGHT — that is the secret of success.

Above all else, STUDY BOYS. The Boy is the hope of the world. The Boy is the FUTURE, while you and I are only the Present, and Books are only the Past.

Study the keen concentration of a Boy. No hesitation. No shilly-shallying. He knows what he wants and he drives straight at it.

An obstacle, to a Boy, is only a hurdle to be jumped. He never dreams that any obstacle is insurmountable nor that any failure is final. And he knows that the best apples are always behind the highest walls.

A Boy has MOMENTUM, which is a marvellously efficient substitute for strength. He is always going at full speed. He hurls himself at things. He is never on the defensive. He is always attacking.

The vaunted experience of grown up people consists largely in knowing what cannot be

done. Our code is DON'T; but a Boy's code is DO.

We older people follow the Ten Commandments of Moses, everyone beginning with — "Thou shalt NOT." But a Boy knows better. He follows the Golden Rule, which begins with "DO."

Action — Action — always Action — that is the life of the Boy. Plunge ahead and meet the Future half-way. Fall down and jump up again. Tear your trousers and forget it. Tumble in the pond and scramble out. Fly your kite and lose it. Give your cricket bat for a bigger kite. Fight another Boy and get thrashed. Fight again and win. That is the life of a Boy.

A Boy is all for self-help. He never wants to be the audience. He wants to be the performance. He is all self-confidence. He will drive ten horses abreast. He will steer the Leviathan into port. Nothing overwhelms him. He is a little St. George, that dares to slay any dragon.

There are no two human beings more different than a Baby and a Boy. The Baby can do nothing. It is passive. It must be fed and carried and dressed and undressed.

A Baby wants only two things — sleep and a dole. It is the ideal Socialist — is a Baby.

But a Boy — he spurns your help and flings the milk bottles into the ditch. His motto is — "I'll do it myself."

A Boy is an INDIVIDUALIST. He is in favor, above all else, of being let alone. He is willing to pay the full price of his fun. He prefers risk to safety and adventure to routine. In fact, he has no place, in his own scheme of things, for a Government at all.

A Boy has courage. He has fears — plenty of them; but he takes them as the normal accompaniment of a good time. He knows that roses have thorns, but he is not afraid of scratches.

All fears and dangers and penalties, in fact, are only the accompaniment of that EXCITEMENT which a Boy craves. The whole adult world, it seems, is organized against him; but the Boy never surrenders. On he goes, regardless of all our stupid prohibitions, in headlong pursuit of his own interests as a Boy.

We make him a trespasser in our world of grown up decorum, but what does the Boy care? He trespasses and laughs at us.

He is not a Baby. He is not a dole-taker.

He is not an automaton — not yet. He is a Boy, with an active, dominant Brain, that notices and compares and invents.

He appreciates Life. He is all energy and the joy of action. He feels that it is bliss to be alive and glorious to be young.

So, the secret of personal success and happiness is to keep the brain young. Too many of us have become Chinese in our habits of thought. We have believed more in the worship of ancestors than in the worship of LIFE and LOVE.

A true theology is not so much that God is Love, as that Love is God; and we should reverence above all things the creative spirit of Love, as represented by a child.

Whoever knows this, has the key that opens all doors leading upwards.

THE SPIRIT OF ETERNAL YOUTH — that is what all the world's a-seeking. It is the Spirit that creates, builds, conquers, rewards.

It is what Ponce de Leon sought, when he set sail from Spain to find the Fountain of Youth in Florida. It is what he thought he had when he drank of the waters of the sulphur springs in St. Augustine.

It is what all nations have sought, wisely or

unwisely. It is the Holy Grail. It is the answer to the prayers of all religions. It is the way and the truth and the life.

If I go to Newton — the most profound Thinker among all the scientists, he tells me, a few days before his death — "I am but as a child, gathering up the shells on the sea-shore of Truth."

If I go to Taylor — the founder of Efficiency, he tells me, in the last of his public addresses — "above all else, we must be teachable and open-minded, as children are, and cultivate right relations with one another."

And if I go to Christ — the Teacher above all Teachers, He takes a little child and sets him in the midst of us and says — "EXCEPT YE BECOME AS LITTLE CHILDREN, YE CANNOT SEE THE KINGDOM OF HEAVEN."

Chapter II

THE SPIRIT OF SPORT IN BUSINESS

IF the secret of success and happiness is to keep young — to master Life with the spirit of a Boy, it follows that we must look upon Business as a game. We must regard our occupation, whatever it is, as a species of interesting and profitable Sport.

Our ten tests of a Sportsman may be given as follows:

1. He does not boast.
2. Nor quit.
3. Nor make excuses when he fails.
4. He is a cheerful loser.
5. And a quiet winner.
6. He plays fair.
7. And as well as he can.
8. He enjoys the pleasures of Risk.
9. He gives his opponent the benefit of the doubt.
10. And he values the game itself more highly than the result.

A man's success in life, in fact, depends to a great extent upon his attitude towards his daily work. If he regards his job as a drudgery, then he will never be more than a mere hireling. If he regards it as an irksome habit, then he will remain an automaton and nothing more. If he says — "I am only a cog in the wheel," he is quite right. A cog he will remain.

If he regards his job as a fight, then he will become hard, relentless and friendless. He will strike the world and the world will strike back, and in the end he will get the drubbing he deserves.

If he regards his job as a bore, then he will sit yawning in his chair, while less competent men beat him. When a man is fed up with his job, you may be sure that the job is fed up with him.

But if he regards his job as a GAME, then he is most likely to enjoy his work and do his best. He introduces the element of rivalry and excitement that all normal men need, to draw out all their loyalty and all their energies.

Once a man looks upon his business as a game, he is no longer worried by his failures

nor daunted by his risks. He knows that in every game there are always failures and risks. He knows that he cannot go through the world without bumps and plenty of them. He knows that there is always a margin of trouble in all undertakings.

Theorists and idealists do not know this. They are always expecting 100 per cent., whereas very few human enterprises are ever more than 90 per cent. If you have a 90 per cent. business or a 90 per cent. wife, then thank God and carry on. Many a man has to put up with 30 per cent.

Life at its best is "one damn thing after another." Of course it is. What else can one expect, in a small amateur, self-taught world like this? The only way to make life endurable is to ignore its tragic side and to take our work as a game and play it out to the end, until the Great Referee blows His whistle.

Trade and commerce were founded by "Merchant Adventurers," who played business as a game and who knew how to bowl and how to field and how to bat. They took the whole world as their playground. They made the green sea their field and they built up an Empire on Sporting lines. And the most suc-

cessful business men are those who are conducting business as though it were a game.

There are now a number of sporting elements in every well managed business. There are, for instance:

1. Standardized conditions.
2. Daily Reports.
3. Bulletin Boards.
4. Budgets.
5. Prizes.
6. Suggestion contests.
7. Motion study.
8. Standards of production.

Generally speaking, there are four new elements that have come into business life in the last 15 years — EFFICIENCY; SALESMANSHIP; ADVERTISING and STAFF TRAINING.

These four new elements have taught us how to make more money, more easily and more quickly. They have made hundreds of fortunes and they have done much, also, to put business on a higher plane.

All these four elements mean either Science or Sport, or a combination of both. They mean that we must study our businesses more closely, that we must learn how to display

our goods — how to please our customers and how to develop our employees.

In practically every game, there is a large element of skill. No man is allowed to play cricket, or ought to be, merely because his father was a great cricketer.

In all sport, there is always a coach — an older player who instructs the younger ones. There is always an expert, explaining the technique and the rules of the game.

In sport, men prepare — study — practise — plan. In business, on the contrary, we are too apt to muddle through and learn by our losses. One difference, for instance, between an average business man and a prize-fighter, is that a prize-fighter prepares for three months for a job that lasts ten minutes, while the business man doesn't prepare at all for a job that lasts all his life.

In sport, the secret of a team's success is usually team-play. Individual ability counts for less than the co-operative ability of the whole team.

The same is true in business. There must always be a Captain of Industry and there must always be a company feeling and a quick co-operation between departments.

Every employer — every Company President, is the Captain of his team. His main duty is to train his people in such a way as to win their loyalty and develop their abilities.

There is a new art of EMPLOYERSHIP, which is now being studied by all progressive Managers. The right way to handle employees — that is the secret of building up a business.

A Manager or a Foreman, for example, who wants to introduce the spirit of sport into his management, will follow such rules as these:

1. Be fair. Never show partiality. Have no favorites and no scapegoats.

2. Make few promises and keep them. A Manager is not a politician, whose main stock-in-trade is a display of promises that are seldom kept.

3. Don't waste anger. Use it, but only on great occasions. Anger is a valuable asset to any Manager, but it must never be wasted on trifles.

4. Hear the other side. Listen before you condemn. There are two sides to every event, and sometimes half a dozen.

5. Don't hold spite. Never make a personal matter of a punishment. Have a storm,

if you must, and thunder and lightning and high winds, but next day there must be the blue sky and the sun shining.

6. Never show discouragement. The team will be beaten, if the Captain is. It is one of the main duties of every Leader to put a stout heart in his men.

7. Notice good work as well as bad. Appreciate quality, otherwise your workers will think that you don't know what Quality is.

8. Watch for aptitudes. Study your people as a good coach studies his players. Study them closely and pick the winners.

9. Take your full share of the blame and risk. The best officers lead their men over the top and take all the blame for defeat. If you want to be a real Leader, you must pay the price.

10. Give every man three chances. Every man has a right to make a mistake once, without being punished. We learn, usually, from first mistakes. Even a dog, by English law, has a right to one bite. A pup rushes out on the street, sees an ankle, thinks it is a bone, bites it — the Judge says — " First bite. Let him go free." But a second mistake, of the same kind, is serious; and a third is inexcus-

able. Every third mistake should mean either a transfer or a discharge.

Such rules as these will change a mob into an army. They will double the output of good-will, as well as the output of commodities.

This fair, just human way of handling men will soon put an end to grousing and slacking and disloyality. It will soon lift a firm up among the winners.

Is it not true that employees, after all, are only raw material? They must be built into efficiency. They must be studied and trained and corrected and cheered.

In all games, there is the vital element of PRAISE. There is the applause for the winner. There are the Silver Cups and the Championships.

In business, on the contrary, we usually have BLAME instead of Praise. Many a firm is rotted through and through by the everlasting nagging and blame that moves from the top of the firm to the bottom.

The President blames the Vice-president. He, in turn, blames the Works Manager, who blames the Foremen, who blame the workmen, who go home and cuff the kiddies.

Such is the silly descent of Blame, which, like a flood of dirty water, is always seeking lower levels.

Now, it is generally known in the world of Sport that a fault-finding Captain will break up any team of players. No man can do his best on the playing field it he feels that a harsh critic is watching him.

The truth is that Praise is a mental stimulant and Blame is a poison. That lad plays best, usually, who has his sweetheart looking on.

There must be rewards, in business as well as in Sport. There must be prizes for efficiency and for long service. Efficiency, after all, is not everything. The old-timers of the firm have their right to some special notice, whether they have been efficient or not.

One of the best ways to create a spirit of loyality, in any long-established firm, is to call a mass meeting of all the employees and present gold watches to everyone who has served the firm for 25 years. This is the least that can be done by any firm with a conscience.

Also, in all games, there is the element of EXCITEMENT. Even in such quiet, reflective

games as chess, there are critical moments that grip the attention of the players.

Nearly all men, and a few women, crave Excitement. As for boys, it is the one great passion of their little lives. A normal healthy boy lives and moves in an atmosphere of Excitement.

In business, we have quite ignored this element, that is inseparable from all Sport. We have even gone in the opposite direction, and tried to make every job as dull and monotonous as possible. This has been a tremendous mistake, and it has led to a universal dislike of work — a most abnormal and serious state of mind.

There must be division of labor — yes; but there are many ways of putting life into a job. There is no reason why any worker should be nothing but a thing and a number. There are a hundred ways of brightening up our mills and factories, and bringing in a certain amount of Excitement.

No one can work well at a stale, uninteresting job. How can he? The same thing over and over again, and over and over again. It is a tragic combination — a live worker and a dead job.

Recently, I noticed a man tapping the wheels of the railway coaches in a Manchester station. "How long have you been doing this?" I asked him. "About 14 years," he replied, much surprised that anyone should pay any attention to him. "Do you ever find a bad wheel?" I asked. "Yes," he replied. "I found one two years ago." What a job! Fancy that poor chap going home every night for two years and facing his wife. "Find any bad wheels?" she asks. "No," he answers. What sort of evenings can they have in his little home, at the end of such dull days? Only one Excitement in two years!

As we have seen, in the previous chapter, nearly all men are boys at heart. They prefer Excitement to Industry. They would all sooner play than work.

Speaking historically, it was Woman, not Man, who first invented Industry. It was Woman who first began to weave and plant corn and grind flour and make clothes and decorate the cave-homes of those early days.

Man preferred to hunt — to fish — to fight — to lie in the sun and gamble. But gradually Woman taught Man to work and he has been hard at it ever since.

Man is not by nature a WORKING person, as a woman is. This is a secret of human nature that every Manager ought to know.

Man is a SPORTING animal, of that there is no doubt. He endures industry, but he does not like it any more than a cat likes a puddle.

A man works because he must, whereas a woman, when she has nothing to do, proceeds to invent all manner of jobs for herself. If she is not compelled to do useful work, she does work that is useless. A woman abhors idleness — no mere man can ever understand this.

But if work can be transformed into a game, then a man will toil away as cheerfully as though he were fishing. He will even love to work, if you can make his job exciting and competitive.

Much is being written, at the moment, about feeling tired. Much of it is nonsense. Fatigue does not depend upon exertion — any small boy knows that. Fatigue is mental, rather than physical. It is caused by a state of mind, rather than a state of muscle.

If a man is doing what he dislikes to do, he is fatigued at the start. But if he is interested and cheered on, he will swing straight through the day without any feeling of fatigue.

After a football match, the team that has been beaten are fatigued. They are limp and ready for bed. But the winning team are fresh and keen and ready for a dance in the evening. That is the right theory of fatigue.

The fact is that enthusiasm increases the red corpuscles in the blood. Enthusiasm is a food and a tonic. This is well known to all eminent Doctors, but it has not been known by Managers.

In any mill or factory, you can increase the output by Enthusiasm. I have seen it done many times; and I would much prefer a works low in equipment and high in Enthusiasm, than *vice versa*. Everyone knows that this is true in sport and in war, but we have not yet learned that it is equally true in business.

It is sheer dullness and stupidity that has destroyed enthusiasm and the spirit of play in our shops and factories. And it is entirely a delusion that a hard-and-fast line must be drawn between work and enjoyment.

Enthusiasm is normal. It is the natural buoyancy of healthy people, who are being rightly managed. It is the resiliency of human nature, that need never be outgrown.

It is the nature of a rubber ball to bounce;

but if you take a ball and nail it to the floor, of course it cannot bounce. If you make it a fixture — if you treat it as though it were a paving block, it will lose its rubber nature; and the same is true of a man. If you treat him as a piece of wood, he will act as a piece of wood and not as a human being.

THE JOY OF LIFE! Why should we drive it out of trade and commerce, as though it were improper and unseemly? Why should we regard it as Folly instead of Wisdom? Why should we look upon it as a waste instead of a profit?

What is the first thought in every baby's mind, that is born upon this earth? After the first two or three weeks of semi-consciousness, what is the first faint little idea that dawns into every baby's mind? Is it not the joy of life — the gladness to breathe and move and feel and be alive?

Why should this first instinct of happiness be crushed to death by the automatism of business? Why should we write over the doors of shops and factories — "ALL JOY PROHIBITED?"

It is not Business that is to blame for our stolid solemnity and joylessness. It is we who

are to blame. We are still amateurs at Business. We are like children messing about with the musical instruments of an orchestra.

It is said that the greatest of violinists — Paganini, was in his old age passing along the streets of Naples, when he came to a beggar-boy playing a violin.

" Give that violin to me for a moment," he said to the boy. The boy gave it to him, wonderingly. Then Paganini played. He played such music as was never heard, before nor since, on the streets of Naples. He played until the people on the streets stopped breathing, almost, to listen to such perfect music. And the beggar-boy could not believe his ears, to hear those glorious notes coming from his poor old fiddle. " It is a miracle," he said — " a miracle."

But it was not a miracle. It was Paganini drawing the bow. And so, it is true that in every violin and in every Business, there are wonderful possibilities, IF WE WILL ONLY LEARN HOW TO PLAY.

Chapter III

THE NEW VIEW OF SALESMANSHIP

SALESMANSHIP is a far broader subject than the mere selling of goods over a counter. It is as necessary for a bank as for a shop. It can be used to maintain a Government as well as a mill.

Not long ago, I was engaging a Sales Manager for a certain firm. A young man walked in confidently. "I know Sales from A to Z," he said. "Well, then, out you go," I replied. "You know too much for me. I know it only from A to F."

Salesmanship has now grown to be so comprehensive that no one knows it all, and no one but a fool or a knave would claim to know the whole of it. It applies to every business, very nearly. Perhaps not to all. I was asked recently by an undertaker to prepare a sales campaign for him, and I must confess that I could not do it. I did suggest that he might

adopt as an advertising slogan — "Eventually — why not now?" but he refused to consider this. He thought it might lead to complications with the Coroner.

Salesmanship has evolved, and brought Advertising along with it, from a very low plane of mendacity and deception, towards a very high plane of truth and service. It has not yet reached truth and service, except in a few rare cases; but it is on its way.

The old method of Salesmanship was either to say rudely to the Customer — "You can take it or leave it"; or to overpower him with specious arguments and literally force him to buy what he did not want.

The old type of salesman took great pride in proving that black was white. He boasted that he could sell anybody anything.

His idea of Salesmanship was that it was a species of hunting. The Customer was the fox and the Salesman was the huntsman. A sale was a killing and he who carried off the most brushes was the best Salesman.

The old way was based on a conception of business as a war between buyer and seller. The Salesman attacked the Customer — knocked an order out of him by verbal high

explosives. Always, he aimed to over-sell. His greatest delight was to sell an elephant to a man who wanted a dog.

But a wiser conception of Salesmanship arose about twenty years ago. The Customer was regarded as a Man who had to be persuaded, not as an animal that had to be hunted.

New text-books were written on the psychology of persuasion. It was pointed out that a sales process is like a wedge. The thin end must come first. There must first be the attention and interest of the Customer, before there is a description of the goods. This was a long step in advance, as it led the Salesman to think of the Customer's point of view.

Then, in the past ten years, there has come the idea that Salesmanship is SERVICE. A moral element has been brought in. We now believe that it is bad Salesmanship to overstate — to over-sell — to lose a Customer for the sake of making a sale.

After years of wandering in the wilderness, Salesmanship is now coming to the Promised Land of Honesty and Mutualism. It is considering the value of *good-will* — a matter which formerly it had entirely forgotten.

The next step in the evolution of Salesmanship is, in my opinion, the recognition that a Customer is a BUSINESS FRIEND. As my latest definition of Salesmanship, I would say that it is THE ART OF LIKING A CUSTOMER AND HELPING HIM TO BUY WHAT HE NEEDS.

In a word, if we are to treat Business as a game, then a Customer is a PLAYMATE. He is not a fox to be hunted, nor a stranger to be kept at arm's length. He is a PAL — a travelling COMPANION through the lonely journey of life.

You must LIKE people or you cannot understand the New Salesmanship. Your mental attitude towards the Customer is the main test of your efficiency, not any mere tricks of technique.

No amount of training — no Courses of Salesmanship, will make a man a 100 per cent. Salesman unless he is also a lover of his fellowmen. He must have a selling temperament as well as a selling brain.

There is a Chinese proverb that says: — "A man without a smiling face should not open a shop."

If all our shops were closed up that had no smiling faces, there would be many a whole street put out of business.

In too many shops we have solemn faces — thousands of them. We have tired faces and stern faces and silly faces and vacant faces, but not many smiling ones.

Usually, the floorman in a big shop has a face like a jail warden. He would look more natural if he had a revolver in one hand and a bunch of keys in the other.

In fact, the man who is put to maintain discipline among the shop assistants is usually the same one who is supposed to welcome the customers.

He is really a policeman, not a salesman. He glares at customers who block the aisles. He stares at them suspiciously, to see if they are trying to steal anything.

His answers to customers' question are short and abrupt — " First aisle to the left and third to the right! "

Truly, there are any number of men, and a few women, in our large shops, whose manners are much more suitable for a jail than for a place of business.

This is no small matter. It costs many firms thousands a year.

The value of a smiling face! Every business man who sells goods to the public should realise this.

Your customers and your salespeople should be FRIENDS.

No one who comes into your shop should be treated with rude indifference or frozen formality.

No one should be regarded as a stranger who is trespassing on your clean floor, and whom you never wish to see again.

If your salespeople can't smile, better close your disagreeable shop for an afternoon, and take them all to see a Charlie Chaplin film.

Better start the fashion yourself, too, by smiling oftener than you do. Don't walk about your own shop with a face like the Rock of Gibraltar.

Smiles are contagious. Start one going the first thing in the morning and it will soon start a dozen more.

Why shouldn't a shop be genial? Why shouldn't it be jolly and hospitable and glad?

Is there any good reason why you should not welcome customers in your shop as cordially as you welcome guests in your home?

There are hundreds of firms that have never spent a penny of money or an hour of time to train their drummers or their shop assistants.

They put their whole capital at the mercy of a lot of indifferent blundering men and women, who are guilty of sins of Commission and sins of Omission every business day.

They allow their customers to be flouted, disregarded and turned away by a crowd of amateurs who care for nothing but pay-day.

They build well-equipped factories. They build attractive shops. They deal in goods of high quality. And then they chuck in a lot of hit-or-miss wage-wanters who know no more about salesmanship than a Hottentot knows about an eclipse.

They even spend thousands of dollars on advertising to attract new customers, and then when a new customer comes, he is stared at with stony eyes and practically snubbed out of the shop.

Speaking only of my own limited experience, I can recall seven shops in London that I have put on the "Never Again" list, because of the rudeness or indifference of the shop assistants.

Is it not a fact that in most shops a customer is treated more as a trespasser than as a welcome guest?

Is it not true that thousands of customers,

with money in their purses, are treated as though they were personally objectionable by the shop assistants?

If this is true, it is a most serious charge against our salespeople. It is worse than inefficiency. It is SABOTAGE. It is the DESTRUCTION OF BUSINESS.

If you earn your living by the selling of goods, you MUST be courteous. You must be friendly. You must be obliging and cheerful and patient and polite.

The undeniable fact is that most salespeople are quite unfitted to meet strangers and to persuade them to become buyers. Many of them would be better placed if they were made lighthouse keepers, or given some other such job where they would never have the ordeal of meeting the public.

They stand behind their counters, disliking and dislikable. They seem to be saying to themselves — "Here I stand. I am obliged to sell to you. I hate my job but I need the money. Maybe, some day I'll have my revenge. You'll be standing here and I'll be buying from you."

One would think there were a Customer-Haters' Club in most shops, especially in the

large ones. Most salespeople are eligible for membership.

You will see, at once, what a serious situation this is. The way to build up any business is constantly to get new customers and to hold fast those you have.

If a man has no permanent buyers, he is a peddler rather than a merchant. He has no good-will. He has no Customers of his own. He has only other people's Customers once in a while.

Is it not true that one Customer who comes back is worth ten who do not? Is it not true that the first sale to a new Customer is seldom profitable, because of the expense of getting him? It is on REPEAT orders that the profits are made.

Salesmanship is a profession, not a mere job. It has its temperamental requirements, as much as Art has, or Music or the Drama. And it has its intellectual requirements, as much as Engineering has, or Chemistry or Navigation.

In salesmanship, MANNERS is half the battle — the other half is METHOD.

Any firm that trains its salespeople to have the right MANNERS and the right METHOD need

have no fear of the future. It is as sure to prosper as a river is sure to flow.

Salespeople are MADE, not born; and thousands of people are so entirely unfitted for salesmanship that no amount of training will do them very much good.

Most Salespeople are taken on without any test of fitness or aptitude. Then they train themselves, for the most part.

Now, the rule is, that you must FIRST MAKE SALESPEOPLE — THEN MAKE SALES.

The right type of person must be engaged. This is no easy matter and there is no infallible rule to follow.

But, in general, a salesman or saleswoman should have a pleasing appearance — a ready smile — a soft voice — an even temper — a resolute will and a quick mind.

If I were asked to name the one best preliminary test for salespeople, I would say — FRIENDLY EYES.

The first look of a sales person either pleases or repels a customer. Thousands of sales are prevented, there is no doubt, by cold looks from dead eyes.

So, the rule is — first SELECT them, and then CORRECT them. First choose keen, lik-

able, sociable people, and then drill them in the art of salesmanship.

They should be trained by competent instructors, not by any floating adventurer who may ask for the job, and whose only asset is a self-advertising fluency.

This matter of Staff Training is so important that it might even be done by the chief executive himself, with the aid of suitable text-books.

Training road men and shop assistants is just as important as dressing the windows or putting the correct addresses on the boxes and parcels.

It should be done in a systematic way. There should be at least 12 talks and demonstrations and an examination at the end.

A firm might even have its own DIPLOMA of Salesmanship, to be obtained by examination and two years' successful selling.

Hundreds of firms have now an established system of instruction. Practically every first-class firm has regularized Staff Training as a part of its business routine.

If it takes years to train a sailor, how can we expect to train a salesman in a couple of weeks?

A shop requires just as much skill as a ship does — that is a fact that hundreds of merchants have never realized.

At the moment, there is nothing more important to most firms than the training and stimulation of the selling force.

Fill your store with smiling faces and keen brains, and you'll fill your cash-box with smiling money. Make your Customers happy and they will take great pleasure in making you rich.

All this goes to show that a retail shop is very different from a factory or a warehouse. It is not a mere building full of goods and custodians.

It is rather a Public Drawing Room, if it is a drapery shop, or a Public Larder, if it is a grocery shop.

The vital question that a shop must be tested by, is — " Do Customers like to come in, and do they go out feeling pleased? "

Cheapness is not enough. Moreover, cheapness is a most dangerous motive. If you sell on price mainly, before long you will be selling rubbish and everybody will find you out. Dozens of large shops are at the moment making this mistake.

" The memory of quality lingers, long after price is forgotten " — that is a truth that too many merchants are forgetting.

After all, price is mental. A buyer is one who wants an article more than he wants the price; and his appreciation of the cheapness of an article depends upon how much he wants it.

The newspapers are trying to stampede merchants into advertising prices that are too low. This, in the long run, helps nobody, not even the newspapers. To sell below cost is bankruptcy, not business. And you may have noticed that those newspapers that are so enthusiastic about reducing prices, have steadily increased their advertising rates.

Keep prices fair — that is the wisest policy. If you are obliged to lose on one article, make it up on something else. Giving away your goods at cost is worse than a fire, because there is no insurance.

Price doesn't matter as much as most people think. It is a matter of psychology. People grumble at paying a penny to ride a mile in a tram; yet no one complains at paying a shilling a mile in a motor-car.

No one is fussy about price when he is buy-

ing a trade-mark article of known high quality.

As far as possible, price-cutting must be prevented by the demonstration of quality. Salespeople must be taught the quality-points of their goods. They must be shown how to make the goods attractive.

In the average shop, if you ask for an article, it is tossed upon the counter as if it were a dead cat. "Here's the nasty thing. Take it away. Only $1."

The right way is, of course, not to put any article upon the counter at all. Hold it in your hand. Keep it in motion. Shift it about until the Customer takes it. Keep it ALIVE. The moment you lay it down it is dead, and no one cares for dead things.

Counters may be necessary for the wrapping of parcels and writing of bills, but from the point of selling, it would be much better if there were no counters at all. They certainly make it possible for the shop assistants to be lazy and indifferent in the displaying of the goods.

You must sell to the EYE, rather than to the ear. Why? Because the optic nerve is 22 times stronger than the nerve that leads from

the ear to the brain. That is a scientific fact that no salesman should ever forget — appeal always to the EYE.

The truth is that a new type of SHOP is coming. Many are here now. They are SPECIALITY SHOPS, managed by people who know their goods.

The NEW SHOP is a HOME, rather than a Market. The huckstering element has been eliminated. It is no longer a fierce, hustling place where you must buy — buy — buy.

There is a spirit of hospitality in the NEW SHOPS. Customers are treated as Guests. They are entertained, rather than forced to spend money.

There are interesting novelties to see. There is music, too; and there may even be attractive pictures on the walls and vases of flowers on the counters.

The floor-walkers are kindly-eyed, friendly men — as friendly as a would-be M.P. is on the day before the election. They know the Customers by name, or seem to do so. They give every Customer a welcome. They notice the children, and they provide seats for the aged.

In the NEW SHOPS, there is none of the

preposterous dignity and aloofness that is found so often in places of business. The shop assistants are just jolly girls, not Princesses in disguise.

Dignity is death, in any shop. It is worse than drink, for even drunkenness has an element of sociability. Dignity is one of our most serious faults, after the age of 40; and what it costs us, no one knows. Probably as much as the rent and the taxes combined.

It is said that one of the members of a Pall Mall Club was found dead recently, sitting in a chair. He had been dead, the Coroner said, for three days; but he looked so natural that nobody noticed the difference. Such is Dignity — the twin-brother of Death.

The NEW SHOP has no Dignity. In fact, you may at times see the owner of it playing a game with a couple of kiddies.

The NEW SHOP has no repelling shop assistants, who glance coldly at you with the eyes of a dead fish. These have all been transferred, very likely, to a more congenial place, probably a Post Office or a Morgue.

The whole NEW SHOP has been HUMANIZED, that is the secret of it. It is not run by drudges, who are " fed up " with drudgery. It

is run by people who like each other and who are proud of their shop and delighted with their Customers.

Recently, I was walking through a piano factory. I saw a polisher, rubbing a grand piano with his bare hand. "Why do you rub it with your hand?" I asked. "Because, Sir," he replied, "there is nothing in the world that is equal to the human hand for giving a polish." There it is — the human touch. That is what we have everywhere in the NEW SHOP.

The spirit of the new Age, which all of us may not live to see, but into which our children shall pass, shall be LOVE AND THE JOY OF LIFE. A great light shall come into men's minds and a great warmth shall come into their hearts.

Forgetting those things that are behind, we shall press forward to the new interests and better ways of living that the Future shall make known to us.

We shall have a Merrie World — why not? We shall make money happily and thank God for the noble gift of Life.

Can you picture, in the "movie" of your fancy, a strong wind that blows southwards

over the Alps and takes up to itself a body of snow? Can you see it pass over the Mediterranean Sea and take up to itself a body of spray? Can you follow it as it passes over the Sahara Desert, with a body of sand, and on through the forests of the Congo, with a body of leaves? Always the same wind, but with new bodies — snow, spray, sand, leaves. Thus it is with the invisible spirit of HUMAN LIFE, that comes blowing down the centuries to us.

And the good news that all true men believe, is that our HUMAN LIFE is now dropping its body of War, and taking up a new body of Co-operation. It is blowing onwards into a new Era, when all of us, even the densest, shall realize that God is Love and that Love is God; and that the most practical Business Law that has ever been made known among men is "LOVE ONE ANOTHER."

LOVE AND THE JOY OF LIFE! MAKING MONEY HAPPILY! That is the Spirit of the New Age which we may see to-day in its Dawn.